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SUB-SAHARAN AFRICA REPORT

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RESPONSIBILITY FOR DELAYED PEACE TALKS REJECTED

Luanda JORNAL DE ANGOLA in Portuguese 17 Oct 82 p 1

[Editorial by ANGOLAN NEWS AGENCY: "Political Maturity"]

[Text] While intentional impasses are placed for geo-strategic reasons in the painful process of negotiations relating to Namibia's accession to independence, imperialism and its agents are resorting to daydreams and speculations to justify the delay which has occurred in the correct implementation of Resolution 435/78, issued by the UN Security Council.

Thus, newspapers and magazines, which serve them as loudspeakers, are printing a series of uncontrolled information to excuse Pretoria and the Reagan administration for its responsibilities in the physical and moral sufferings of the peoples of the southern African area.

In this regard, for some time now they have been disseminating alleged suggestions, or more precisely, "significant proposals," relating to the withdrawal of the Cuban internationalist troops from Angola, even considering this an "essential part" of any agreement on Namibia and ignoring red-hot questions such as the electoral process, the makeup and importance of the UN forces (UNTAG), cease-fire conditions and others...

Other news media, turning to sensationalism, stressed the idea of a theoretical replacement of the Cuban military contingents by others of various nationalities, thus resorting to a "war of nerves" to create an atmosphere of distrust between Angola and Cuba concerning the agreements freely signed by the two on the basis of mutual respect, independence and sovereignty.

This war of misinformation, promoted by the nonprogressive forces at the service of international capital and the Pretoria regime, is aimed at poisoning public opinion and even trying to convince it that the Cuban military presence is the only "difficulty" still to be resolved to achieve a final accord, thus making it possible to take a step forward in the implementation of the UN plan for Namibia's independence.

There is no question that Angola and Cuba are not considering such a replacement. Rather, what is being foreseen is a gradual withdrawal of the Cuban internationalist combatants, once the conditions for the security and defense of the territory are met, that is, as soon as the South African army of occupation withdraws from the southern part of Angola and from Namibia as far as Orange River and there is no further danger of new aggressions, destabilizing attempts and a nondeclared war imposed on Neto's country by imperialism through its most loyal agent, the Pretoria regime.

The program for the withdrawal of the Cuban military contingents is contemplated published in a joint statement on 4 February 1982 during the visit to Angola of Isidoro Malmierca, head of Cuban diplomacy. This sovereign and freely proclaimed decision, compatible with the interests of both peoples and governments, reveals the high degree of responsibility of the Angolan and Cuban leaders and constitutes a solemn engagement in the eyes of international opinion with respect to sovereignty and independence.

That is why Angola, which is the country under attack, should never be considered responsible for the delay in the implementation of peace measures in the southern African area instead of Pretoria. The American administration and other powers are continuing to cling to a peace which would result from pretensions which are in conflict with principles considered inviolable by all countries. The readiness of the Angolan nation to cooperate in the elimination of what caused the instability and aggressiveness in this region should not be seen as a sign of weakness but rather as evidence of political maturity within the framework of the "Front Line" and as coming from a free, independent and sovereign state.

Peace is not achieved through daydreams or speculation. Nor by geostrategic calculations. And "dictatorial measures" constitute a dangerous path to follow in any negotiation, for there is a danger of confusing desires with reality and imposing viewpoints on others, ignoring such things as sovereignty, independence and mutual respect which normally govern relations between states.

8568

CSO: 3442/28

PORTUGUESE PEOPLE EXPRESS SOLIDARITY WITH DONATION

Luanda JORNAL DE ANGOLA in Portuguese 13 Oct 82 p 2

[Text] The Portugal-Angola Friendship Association [APA] has collected about 8.5 tons of foodstuffs, medical supplies, clothing and shoes, worth 15.29 million escudos, during the solidarity campaign which it has been conducting since the beginning of this year on behalf of the Angolan people.

During a press conference last Monday in the association's facilities in Lisbon, APA president Daniel Matos reported that a petition with 5,000 signatures, demanding the withdrawal of the South African troops from southern Angola, had been delivered on that day to the Embassy of South Africa in Portugal.

Joaquim Cabral, secretary general of the Angolan League of Friendship and Solidarity Among Peoples [LASP], praised the initiative of the APA and the gesture of the thousands of anonymous contributors to the campaign. He declared: "This gesture of the Portuguese people, which we have always seen as that of a firm ally in our struggle against exploitation, and which does not surprise us now at this difficult moment in our struggle, speaks to the heart of the Angolan people." Cabral also said he was confident that our two peoples will remain united in the future as they have been united in the past, working together for world peace.

Daniel Matos stressed the popular nature of the campaign, declaring that it was not supported just by the moneyed, but was a militant campaign, welcomed and cherished by the Portuguese people, beginning with the most humble and disadvantaged. He lamented the hostile acts against the Angolan people which had occurred while the campaign was in progress and called for prosecution of all anti-Angolan activities in Portugal.

Although the campaign has ended, the APA is still receiving donations and contributions for the Angolan people, and they will continue to be sent regularly to Angola.

At this time LASP officials are in Portugal to pick up the proceeds of the campaign and arrange for their shipment by air.

6362

CSO: 3442/29

SATISFACTORY PROSPECTS FOR PORTUGUESE TOURISM COOPERATION

Portuguese Official's Visit

Luanda JORNAL DE ANGOLA in Portuguese 12 Oct 82 p 1

[Text] Baiao Horta, Portugal's secretary of state for tourism, will arrive in Luanda today for a 4-day visit to our country at the invitation of the Angolan authorities.

According to a communique from the Angolan Ministry of Home Trade, the Portuguese secretary of state is to visit several of the country's hotel complexes and schools in the provinces of Luanda, Huila, Huambo and Benguela, and a protocol of cooperation will be signed between the two countries.

Baiao Horta will also attend an official reception given by Adriano Junior, Angolan minister of home trade, with diplomas awarded to Angolan students who passed courses in the administration of human resources and the management of equipment, administered by the Portuguese Institute of Tourist Training.

As part of his visit, Baiao Horta will also hold a press conference with the news media before leaving our country.

Private Consortium's Interest

Luanda JORNAL DE ANGOLA in Portuguese 13 Oct 82 p 1

[Excerpt] A group of Portuguese businessmen, comprising a consortium, is interested in furnishing overall assistance to the Angolan sector of tourism and hotelkeeping and, for this purpose, presented a proposal of its possibilities to be studied by the proper authorities.

This information was given yesterday to ANGOP [ANGOLAN NEWS AGENCY] By Nandim de Carvalho, Portuguese secretary of state for tourism and hotelkeeping, who is in Luanda on an official visit and brought the proposal with him.

Nandim de Carvalho, heading a committee of four persons, is to represent the Portuguese contingent in signing a protocol of cooperation in the field of tourism and hotelkeeping between the two governments, valid for 2 years and aimed principally at training management personnel for the hotel industry.

The Portuguese secretary of state also said that "cooperation is already underway" between Angola and Portugal.

Excellent Cooperation Stressed

Luanda JORNAL DE ANGOLA in Portuguese 14 Oct 82 pp 1-2

[Excerpts] "Relations between the Angolan and Portuguese peoples have always been optimal, for the MPLA knew how to distinguish between the people and the colonial-fascist government of Portugal," Adriano Junior, minister of home trade in our country, said yesterday in Luanda.

The same government official, speaking at the opening session of official meetings on tourism and hotelkeeping between a delegation he is heading and another headed by Nandim de Carvalho, Portugal's secretary of state for tourism, also said that the visit of President Ramalho Eanes to Angola in April had opened a new era in relations between the two countries. "The agreements signed on that occasion," he continued, "are proof that conditions were created for our two countries to carry on work of mutual interest now and in the future."

After mentioning that during the meetings a report will be made of what has been accomplished until now and what we can expect to accomplish in the future, Sebastiao Junior expressed pleasure at the excellent results achieved by the Angolan scholarship recipients trained in the hotel industry in the Portuguese Republic.

In his reply, Nandim de Carvalho began by expressing satisfaction at having verified, from the Portuguese viewpoint, that "things are improving with regard to the Angolan Government which has proved to be highly receptive since 1980."

He then went on to say, "My trip to Angola is neither formal nor abstract; it is in keeping with our exchange of experiences, our desire to cooperate."

In conclusion, Nandim de Carvalho said that, as a matter of mutual interest, "it would be good for everything to transpire in such a manner that we would show the world what it means to cooperate."

Cooperation Protocol Signed

Luanda JORNAL DE ANGOLA in Portuguese 17 Oct 82 pp 1-2

[Article by MC]

[Excerpt] At the conclusion of a visit made by Nandim de Carvalho, Portuguese secretary of state for tourism, at the invitation of Home Trade Minister Adriano dos Santos, the two governments signed a protocol of cooperation yesterday in the tourist and hotel industry sector.

According to the document in question, the two parties agreed to sign a contract calling for technical assistance in the training of personnel in various areas of the hotel industry; this is to be done by operating hotel industry schools in Luanda, Huambo and Lubango and the "former Restinga" internship unit in the country's capital. The contract also includes study courses and seminars in hotel management and courses for those responsible for small and medium hotel facilities.

Finally, the contract also includes sending an annual contingent of 30 scholarship recipients to Portuguese schools for hotel management and tourism, particularly higher, medium and specialized courses.

In addition, the Portuguese contingent indicated the National Institute for Tourist Training as the organization responsible for studying, together with the Angolan contingent, the signing of a contract for technical assistance aimed at furnishing technical-professional management to the following hotels: Dom Juan II (in Luanda), Congresso (in Cabinda) and Mombaka (in Benguela) by sending professionals for this purpose.

The possibility was also foreseen of using these hotels as internships for students coming out of hotel-management schools.

Both parties considered the possibility of expanding the cooperative arrangement in the management sector to hotels of broader scope by joining forces with a consortium of Portuguese businessmen as soon as conditions permit. As a result, the Angolan contingent agreed to receive representatives from the Portuguese consortium in Angola at a time to be indicated.

It was also ascertained that Angola is receptive to cooperation with Portugal on enterprises in the collective food sector with the aim of training skilled personnel and promoting studies for the establishment of new fast-food factories.

The Angolan contingent also expressed a desire to cooperate with the Portuguese group--through the Secretariat of State for Tourism--in having technicians sent to Angola to assist the National Directorate of Tourism and Hotelkeeping in reorganizing the tourist sector, with particular emphasis on the territory's tourist aspect, the primary objective being to increase forms of domestic tourism.

The Angolan contingent welcomed the Portuguese offer of cooperation in the domain of tourist stimulation, particularly through the construction of amusement parks.

The two parties acknowledged the desirability of a meeting of the Joint Committee stipulated in Article 7 of the Special Cooperative Agreement in the tourist and hotel sector, to be held in Lisbon toward the end of the first half of 1983 if, by that time, there has not been a meeting of the Joint Committee of the General Cooperative Agreement.

8568

CSO: 3442/28

DEPARTING HUAMBO COMMISSIONER ADMITS POOR RESULTS

Luanda JORNAL DE ANGOLA in Portuguese 14 Oct 82 p 3

[Text of press conference with Lt Col Santa Andre Pitra, departing commissioner of Huambo Province, date and place not specified]

[Text] A few days before leaving his post as commissioner of Huambo Province and coordinator of the party Central Committee, Lt Col Santa Andre Pitra (Petroff) granted an interview with the national news media, regarding his 3 years as the highest official of Huambo Province. At the newsmen's request, he also gave detailed explanations regarding the political-military situation, with particular emphasis on the combat against counterrevolutionary actions and agents.

Petroff called attention to the necessary "dialectical connection" that should exist between the effort to eliminate counterrevolutionary pockets and gangs, on one hand, and the resolution of the social and economic problems of the people, on the other.

The former commissioner of Huambo Province (currently Central Committee secretary for the productive sector and People's Assembly deputy) also gave an accounting of the most important actions taken in economic and social areas, and noted the "new dynamism" observed in party activities.

Following is the full text of his statements to the MDM [expansion unknown].

Question: What are the problems in Huambo Province now, as you assume other duties after 3 years as provincial commissioner?

Answer: To some people, 3 years could seem like a long time, but it is very little time for Huambo Province, considering that the province has the highest population density and the second largest industrial park in the country, and

is, as we all know, the "cradle" of the counterrevolution. When we proclaimed our independence in Luanda, here in the city of Huambo the counterrevolution also "proclaimed" its "democratic republic." Hence it is a bit difficult to answer your question. However, I can give you a general idea of the problems in Huambo Province.

In the first place, there is the continued presence of some counterrevolutionary gangs that are desperately trying to retake their old "cradle" and to create roadblocks to the normal development of this province. Militarily, the defense and security forces and the people, particularly the florious FAPLA [People's Armed Forces for the Liberation of Angola], have made every effort, including the sacrifice of their very lives, to make it clear that the enemy goals are purely illusory. However, we must make a dialectical connection with this task of the defense and security agencies, because the situation in Huambo Province, with the existence of some counterrevolutionary bands, cannot be solved by military means alone. There must be a sequence. In other words, we must solve some social and economic problems of the people themselves, because--for instance--after we liberate an area in which these bands have had more influence than ours, then we have to give support to these populations to reintegrate them into our society. Unfortunately, we have not found effective means to integrate these people, partly because of the economic and financial crisis we have been experiencing and the war situation imposed on us by racist South Africa. Moreover, there is a certain lack of interest in some central agencies, a certain ignorance about some of the provinces in the interior--not only Huambo but other interior provinces.

Well, these were the most pressing problems when I left Huambo Province: the existence of some counterrevolutionary pockets and bands and some problems that can only be solved with the aid of some central organs, because the province itself does not have adequate means to solve all the existing problems.

Question: What were the major economic and social achievements, and how is the situation developing?

Answer: Compared to what we should have accomplished, we could say it was "a drop in the bucket," because the pressing problems are still there--the disturbance in some areas of the province (the people are too uneasy to be productive). On the other hand, there is the lack of support. Even so, we can say that major changes were effected.

One of the most important accomplishments, politically, was the convening of municipal and intercity conferences, culminating in the provincial conference to elect the new party provincial committee and its executive commission. This was after the electoral conferences in which we created the provincial people's assembly, the highest organ of government in the province, which in turn created its executive organ, the provincial commission.

I feel these accomplishments represent a victory for the party and the people, because even in the creation of the provincial people's assembly we observed the active participation of party members and non-members alike, demonstrating the people's trust in the party directives. Regarding the election of the

party provincial committee, party members were very active in the conferences to create this provincial body. There was intensive discussion of the problems in the province, not only political problems but military, economic and social problems. In other words, it was indicative of how aware the party members have become in the analysis of our problems. I think these were our greatest achievements.

Economically, we installed some factories, but regarding the basic needs of our people, we manage to do almost nothing. The SODETE soap factory has assured a supply of soap for the people in the province. Another factory which we inaugurated during this 3-year period was CODUME, a nuts and bolts factory. It is strategically important; we can even say with a certain amount of pride that there are very few factories of this type on our continent. It is producing enough to export, but unfortunately, because of technical and bureaucratic problems, we are still importing what this factory can produce for the market and even for export.

We had high hopes of being able to take all the steps needed to complete the Premeiro Congresso agricultural and livestock complex in Caala Municipio, the largest complex, the only complex of its kind in the country, to serve as a model. But unfortunately, we did not complete the project because of problems in acquiring building materials. Moreover, the incubator and other equipment needed to make the complex really operative were never imported.

These, then, are what I consider the most important achievements. I don't think the others are very important. The most significant ones are really the creation of the provincial people's assembly, the election of a new party provincial committee, the new dynamism in party activity in the province and the installation of these factories.

Question: What goals involved the most party action and which ones were fully achieved?

Answer: Party work is closely linked to the solution of the people's problems, because it is not an easy task to educate, mobilize and politicize people who lack salt, who lack dried fish. Many times, the party, which should have a certain amount of independent power to be able to implement higher directives, could not carry out these directives because of these problems facing the people. For instance, as I said earlier, the military or paramilitary forces liberate a zone where the counterrevolutionary influence was dominant; then it is up to the party to make these people, who have been contaminated by the counterrevolution, understand the true picture of our society. And this must be accompanied by something else: [solutions] to the most pressing problems of the people themselves, problems of health and nutrition, lack of clothing. The province is undergoing a serious situation. Often the party, if not forced to retreat, is forced to maintain a passive position, a position of passivity (not an active passivity, but passivity, because the situation is truly touchy).

Question: Could it be said that the national reconstruction activity was affected by the armed counterrevolution, which aimed primarily at impeding the solution of the people's problems?

Answer: We have to divide this question into two parts, because many of us occasionally like to exaggerate a little regarding the war situation we are experiencing, just to camouflage our own mistakes, our own lack of organization and even our disregard of party directives. This often happens..."

There are, in fact, counterrevolutionary gangs in Huambo Province. In my own analysis, this is not an important impediment to the economic and social development of the province. Many of the problems can be resolved. We can in fact reduce the area of action, the area of contamination by the counter-revolutionaries. As I said in the beginning, given an area in Mungo Municipio, for instance, where we are unable to supply the people with salt, or soap, or dried fish, where in the city itself we cannot open the store more than twice a week, in that area enemy propaganda is, to a certain point, still believed. They say: "The MPLA is not solving the problem of hunger; you are hungry." Well, how far can any human being go--party member or not, but a human being--how long can he continue to say "it is not true, you are lying, you are counter-revolutionaries and you are lying." And this in fact is what stymies us the most. The factory does not have raw materials; the peasants do not have fertilizer or seed to be able to produce. So the counterrevolution comes in and succeeds in influencing them.

This is the most important factor. If we could have solved some problems, regardless of the war imposed on us by South Africa, I think that what our enemies are trying to do (now in Bunjei) would never have been possible. Actually, because we have this negative situation, it favors the infiltration of the enemy, who comes in and places bombs--one, two times--in the city, who sabotages this or that rail junction. This is blocking the economic and social development of the province. Unfortunately, some central agencies fail to support the province in solving the problems, and there are still some mistakes and some disorganization, and we in the province cannot say we haven't made these mistakes, that we are not disorganized.

Question: Armed enemy action sometimes causes the exodus of large numbers of people from their place of origin. How do you assess this problem and what means have been mobilized to reduce the effects which this can have on the normal development of the province?

Answer: The question is linked to the previous question. Actually, the existence of counterrevolutionary gangs dictates a certain fluctuation among the people. As we all know, most of the people in Huambo are peasants. For example, when we say that Huambo Province needs 5,000 tons of fertilizer at the beginning of the agricultural year, not many people can believe it. Well, instead of 5,000 tons, they give us only 2,000 tons of fertilizer. And when this small amount of fertilizer is delivered to the people and the enemy shows up, the people are forced to abandon everything and take refuge in other areas that are more secure, and this really leads to the situation which we are experiencing. In every way possible, at the level of all the agencies, both the defense and security organs and economic and social agencies, we have tried to alleviate this situation. But it is not so easy without a certain amount of understanding--it cannot be said too much--by certain central organs regarding some problems of Huambo Province. We think, perhaps as the result

of 3 years of personal experience in the province, that if we manage to completely eliminate the counterrevolution in Huambo Province, it will be practically non-existent before very long. Why? Because Huambo was the "cradle" of the counterrevolution. Of every 10 families in Huambo Province, at least 7 or 8 have a family member or friend in the bush. If we really succeed in solving this problem, the counterrevolution in our country will not have the weight it has had up to now, which has given us certain problems.

But, despite our limited means, and with the help of some international agencies, specifically UNICEF, which is helping us establish some communal villages where we can settle these people, and some assistance from the International Red Cross (unfortunately our own Red Cross does not have adequate means to play its part), we have made efforts to minimize the migratory flow of our population.

Question: Comrade commissioner, can you tell us about the results to date of the rural marketing campaign?

Answer: Generally, I can say that unfortunately we have not managed to meet the quotas approved by our superiors. Why? For a simple reason: the incomprehension of certain officials, certain agencies, regarding the problem of rural marketing. The late beloved President Agostinho Neto always said that you do not cement the worker-peasant alliance by going to the countryside and saying to the peasant: "Good, you are allied with the workers in the city." You must provide that peasant, working alone or collectively, with the consumer goods he needs, and, as I was saying, we did not fulfill the plan approved by our superiors because the central agencies did not send us the consumer articles that also had higher approval. We got absolutely nothing, absolutely nothing. For example, of the 600 motor bikes planned for the marketing campaign, we got only 468 (even though we have the bike factory here in our province); of 2,241 tons of dried fish, we received only 204 tons. We have the right to 460,000 blankets and we only received 20,000, and the list goes on.

In other words, we did not get what we really expected from the central agencies to carry out our marketing campaign, for various reasons. We were later informed that there was an emergency plan to acquire some articles, imported from the Middle East, for the countryside, but to date they have not reached the country, and the marketing campaign is coming to an end. Despite everything, we made an effort, using the means we had, including some motor bikes and bicycles that were fixed up for the marketing campaign; we even went to Kwanza-Sul to pick up some palm oil; we went to Benguela for dried fish, so that we could in fact minimally insure the marketing campaign.

We had to guarantee 6,000 tons of "batata-rena" for the marketing campaign. To date we have only managed 18 percent of this amount. We should have 5,000 tons of corn and we have only 7 percent of this. There should be 1,600 tons of garden vegetables, and we have achieved just 17 percent of that figure. The only product for which we have achieved even half the quota was in the marketing of beef (827 tons, and we came up with 59 percent), pork (we have marketed 76 percent of the 240 tons). Regarding goat meat, we have achieved 17 percent of the 70-ton quota.

Very generally, this is the way the marketing campaign has been going. We have added some more experience to our previous experience, and in the next marketing campaign we hope to correct all these mistakes and meet the approved quotas.

Question: Comrade commissioner, what can you tell us about the recent massacre in the Bunjei commune?

Answer: The Bunjei massacre--not only in Bunjei but also in Chinhama--took place 3 days before the comrade president visited our province. These two massacres are a demonstration of what our people are made of. I mean to say that our people, despite all the sacrifice, all the situations we are going through, trust in the party. When the enemy comes to "mobilize" the people and the people repel them, this is the "result:" the indiscriminate massacre of old people, women and children. But it is a clear demonstration of the nature of the enemy. In fact, despite everything, our people trust in the MPLA, they have confidence in the party and in its leaders, and they reject, now more than ever, reactionary politics, tribalism, in the end...So when the people reject them, they have no other solution but to kill old people, women and children.

Question: How do you view the future?

Answer: Well, I feel that, despite everything, the balance is positive; positive because the party is there, with its structures in place. The people trust in the party. The province has the supreme governing body, the provincial people's assembly, which has its executive organ. This is the most positive thing. A great deal needs to be done to really insure the implementation of the party directives, compared with what we have done in these 3 years ("a drop in the bucket"). But the most important thing is this. The party and the people are there. Now we need to utilize these forces--the party and the people--rationally so that we can really solve the people's problems. And the central agencies must give more support to Huambo Province because it is a strategic province from every standpoint, even for the progress of our revolution itself. If we all understand this and provide more support, Huambo Province could make better strides in solving the people's problems. For my part, I will continue to give my support, since I am People's Assembly deputy for the province. I will participate and try to make the comrades in the central agencies aware that we must pay special attention to Huambo Province, to overcome or minimize some of the problems it is having. We have a vigorous force there, which is the party; there are good party members there, who are active, who understand the existing problems and can pass on this understanding to the masses, so they will face the problems more seriously and with total and unconditional engagement.

6362

CSO: 3442/29

BRIEFS

ACUTE MEAT SHORTAGE IN BENGUELA--Benguela--Sales of livestock, primarily beef cattle, in Benguela Province dropped sharply in the first 6 months of 1982 in relation to prior years, basically because of poor bartering power and because the price table does not reflect reality, the Angolan news agency ANGOP learned from the provincial director of DINAPROPE (National Cattle Products Distributing Company). In effect, implementation of the plan for the first half of this year was only 11 percent; that is, the marketing quota was 5,200 head, and only 580 head were sold. During the second quarter only 1,238 hogs and 1,852 goats were marketed. Moreover, the South African army occupation of part of Cunene Province has interrupted the already poor supply coming into Benguela Province from that southernmost part of Angolan territory, the country's major cattle producing area. Benguela Province needs a minimum of 200 tons of meat per month, Telmo Alexandre reported. Because of the problems described above, only 100,549 kg of meat was offered for sale in the second 6-month [sic] period, and was distributed basically to butchers supplying social and hospital institutions, specifically cooperants, blood donors and officials. It is noted that the 100,549 kg of meat marketed represents only 8.3 percent of the initial distribution plan. Nonetheless, Alexandre added that there was a noticeable improvement in August and September after DINAPROPE received some products [to barter with], such as motorbikes and sugar, from the Home Trade Ministry. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 15 Oct 82 p 3] 6362

RESIDENCY DOCUMENTS--Confusion has arisen among various segments of the population regarding the mandatory use of a residency card, in accordance with Decree 90/82, passed by the Council of Ministers on 20 September and published in the DIARIO DA REPUBLICA. A communique from the Ministry of the Interior which reached our desk yesterday explains that the decree creating the card does not immediately make use of said card obligatory. The note adds that, according to the decree, the Interior Ministry is responsible for establishing, by dispatch, the dates and the areas in which possession of the residency cards will become mandatory. This will be gradual and based on priority, according to the circumstances, the means available and the extent of the need to monitor the population. Finally, the communique states that the ministry will duly announce when and where the registration process to issue the cards will begin. Thereafter the dates when use of the cards becomes obligatory will be defined. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 20 Oct 82 p 2] 6362

INTERPOL MEMBERSHIP--Lisbon--The People's Republic of Angola was admitted to INTERPOL during the international congress of the organization held recently in Torremolinos, according to an ANGOP dispatch. The most important topics discussed at the conference, in addition to drug trafficking and its international effects, were kidnaping and ways to strengthen cooperation among the various national police forces. [Excerpts] [Luanda JO'NOL DE ANGOLA in Portuguese 23 Oct 82 p 1] 6362

OIL DISCOVERY--Paris--The French company Elf-Aquitane announced Friday in Paris that it had made the fourth petroleum discovery in Block 3 (offshore) in Soyo, according to the agency FRANCE PRESSE. In tests, the well, called "Impala No 1," is producing crude oil at a rate of 825 cubic meters per day. The same source added that feasibility studies are needed to determine the commercial viability of the discovery. It is noted that the affiliate Elf-Angola, which operates in Soyo under a joint contract with SONANGOL [National Angolan Fuel Company], made the first two discoveries in April 1982 and the third in September of this year. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 23 Oct 82 p 1] 6362

PORTUGUESE TECHNICAL COOPERATION--A group of technicians from Quimigal (Quimica de Portugal, EP) is in Angola to conduct studies of the rehabilitation of the Angolan firm Electro-Ceramica, which produces civil construction materials. Following the preliminary studies by the Quimigal technicians, the Portuguese company will pursue contacts with Angolan authorities to negotiate the needed technical cooperation agreements. These contacts could be extended to other areas of cooperation, with the possibility that the Quimigal technicians now in Angola could meet with officials of the ministries of Industry, Housing and Planning. Quimigal, a Portuguese state company resulting from the merger of the nationalized Portuguese firms CUF [United Manufacturers' Company], Nitratos de Portugal and Amoniaco Portugues, is already operating in Angola through the firms Induve (oils and soap), Confatex (carpeting) and Confabril (general import and export business). [Text] [Luanda JORNAL DE ANGOLA in Portuguese 12 Oct 82 p 1] 6362

AUTHORITY AWARDED--A dispatch from Comrade Jose Eduardo dos Santos, president of the MPLA-Labor Party and of the People's Republic of Angola, determines that during his absence from the country on a state and goodwill visit to the Republic of Zimbabwe, current business at the level of the MPLA-Labor Party will be handled by Lucio Lara, member of the party Political Bureau and Central Committee secretary for organization and support to social and mass organizations. Another presidential decree names Col Juliao Mateus Paulo (Dino Matross), member of the party Political Bureau and minister of state security, to take action on current issues at the government level during the absence of the chief of state. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Oct 82 p 1] 6362

'ANGOP'-TASS' COOPERATION--Moscow--An accord for cooperation and exchange of news reports in Portuguese was signed Tuesday in Moscow between the Angolan news agency ANGOP and TASS. Specifically, the document provides for the joint organization of a double communications link by satellite between the capitals

of the two countries and training of Angolan technicians in the USSR. The agreement was signed by Jose Maria Abrantes, general director of ANGOP, and by Alexandre Baranov, first vice director general of TASS. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Oct 82 p 2] 6362

ENERGY DELEGATION TO CUBA--Carlos Alberto dos Santos, vice minister of energy, will leave today for a working visit to the Republic of Cuba. Dos Santos will lead a Ministry of Energy delegation in discussions with Cuban officials. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 13 Oct 82 p 2] 6362

CABINDA BRIDGE REPAIRS DELAYED--Cabinda--According to what ANGOP [ANGOLAN NEWS AGENCY] learned from the Provincial Delegation for Construction, repair work on the bridge over the Chiloango River (Cacongo), begun in August 1982, is stopped inasmuch as the only crane in the country is engaged in other activities. The same source further stated that this is the fourth time that the bridge has been out of commission because its supports are many years old and made of iron, a material vulnerable to rust. It is therefore essential the the present supports be replaced by concrete supports to give the bridge greater physical resistance. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 23 Oct 82 p 9] 8568

OIL MINISTER QUESTIONS GULF--Angolan Petroleum Minister Pedro Van Dunem (Loy) made an official visit of a few hours to Cabinda last Friday within the scope of the activities of his ministry. Shortly after his arrival, the Angolan leader met with Deputy Provincial Commissioner Jose Sumbo with whom he discussed questions associated with the activities of Cabinda Gulf. The meeting was also attended by various groups representing the Angolan administrative staff of the Cabinda Gulf oil company and by the provincial delegate of the Ministry of Petroleum. Later, before leaving Cabinda, Pedro Van Dunem visited the Congresso Hotel, one of the country's best, where he received a briefing on the hotel's conditions and operation. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 23 Oct 82 p 9] 8568

CABINDA PARTY CELLS SITUATION--A seminar, whose aim was to qualify cadres for the organization departments [DORGAN] of the municipal committees of the Cabinda Province Party, was held Wednesday at corporate headquarters in Cacongo under the direction of Emilio Homem, DORGAN's provincial coordinator. The meeting, whose objective was to analyze certain questions relating to the work of the file clerk and statistician with regard to the party's members, arose from the need to achieve better operation within the party which was experiencing inadequacies and weaknesses in the activities of the MPLA-Labor Party's cells. Questioned by ANGOP, Emilio Homem disclosed that Cacongo now has 15 party cells comprising 97 members. "This is a rather low number," the provincial leader said and added that it is possible that Cacongo will have more party members in the future inasmuch as a number of promotional campaigns are to be conducted. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 23 Oct 82 p 9] 8568

BIE DEFICIENT ENERGY SITUATION--Kuito--"The normal supply of electrical power to Bie Province is dependent upon the volume of water in Kunge River where we have the Kamacupa Dam or Kunge-1," Gualbino Rodrigues da Silva, provincial delegate of energy, told ANGOP. In the dry season brought about by the lack of rain, the water level drops, resulting in a corresponding decrease in the production of electrical power. However, Gualbino da Silva gave another reason for the decrease--namely, constant interruptions in the power supply due to the present breakdown in four generators which normally produce a total of 1,480 kW. Meanwhile, the Kunge-1 Dam was designed to furnish 2,000 kW but at present produces only two-thirds of its installed capacity, due not only to the low volume of water but also to a breakdown in one of its units. "With the first rainfall, already reported, this situation will soon be partially overcome," he said. "With regard to the breakdowns, the arrival of technicians is expected at any moment and the spare parts are already in the province." According to that official, a group of Czechoslovak technicians, part of a study plan to increase the electrification of the country's central area (Bie, Huambo, Benguela and Moxico), was recently in Bie where it participated in drawing up a preliminary plan and analyzing the feasibility of Czechoslovakia's participation in finishing the Kunge-2 Dam project. The Kunge-1 Dam will furnish power not only to Bie Province but also to that of Moxico. [Text] [Luanda JORNAL DE ANGOLA in Portuguese 17 Oct 82 pp 1-2] 8568

CSO: 3442/28

BOTSWANA

BRIEFS

FRENCH ASSISTANCE--The president, Dr Masire, said on Wednesday that he knew that France was going to participate in the development of our country. The president was addressing journalists at a news conference which folded up his 4-day state visit to France. Dr Masire discussed both economic and political issues ranging from Franco-Botswana cooperation and the Namibian independence stalemate. On the Namibian question, which he discussed with the French president, Francois Mitterrand, Dr Masire said he was still disappointed that the five-nation western contact group--Canada, France, Britain, West Germany and the United States--had not made any progress toward the implementation of resolution 435. Another landmark in the development of Franco-Botswana cooperation was the signing of a cultural, technical and scientific cooperation agreement in Paris. It was signed by the minister of finance and development planning, Mr Peter Mmusi, and the French minister for cooperation, Mr Jean-Pierre Cot. According to Botswana's chief economist, Mr (Mkubesiela), the cooperation will include cultural exchanges, training of Botswana students in France, and technical assistance in the form of French experts coming to Botswana. The president, Dr Masire, called on her majesty, Queen Elizabeth II and the British prime minister, Mrs Margaret Thatcher, yesterday evening. He is still on a private visit in London, and will spend the next 3 days resting. He leaves for the OAU summit in Libya on Monday afternoon. The summit starts on Tuesday 23d to the 26th. [Text] [MB191408 Gaborone Domestic Service in English 1125 GMT 19 Nov 82]

CSO: 3400/309

CAMEROON

BRIEFS

PUBLIC, PRIVATE SALARIES INCREASE--The head of state has signed a decree increasing the salaries of workers in the public and private sectors. The increase concerns civil servants attached to the public service, noncivil servants to the public sectors, assessors of the legal profession, soldiers of the armed forces, staff of the national security, state agents, staff of the prison's administration, housemaids and servants, workers of the primary, secondary and tertiary I and II sectors and teachers of the private education sector. For workers of all sectors, family allowances has been increased by more than 8 percent from 1,200 to 1,300 CFA francs per child per months. In the public sector, the salaries have been increased by an average of 13 percent. The lowest salaries in Zones I and II have been increased by 16 percent and those in Zone III by 18 percent. In the private sector, these increases have reached 14 percent for Zones I and II, and 15 percent for Zone III. For the lowest incomes in Zones I and II the increase is 15 percent. Meanwhile Zone III has 14 percent. According to a press release accompanying the presidential decree, traders have been called upon to show proof of civic maturity and honesty and to abstain from any inconsiderate and unjustified increases in prices. The minister of economic affairs and planning will take all the necessary measures to respect this. [Text] [AB172021 Yaounde Domestic Service in English 1800 GMT 17 Nov 82]

MANY PRISON SENTENCES COMMUTED--The head of state, Paul Biya, has issued a decree commuting prison sentences passed on or before 17 November 1982. According to the decree, persons condemned to death and who have already had their sentences commuted to life imprisonment will have the sentences further commuted to 25 years' imprisonment with their liberties permanently deprived. Persons imprisoned for life who have not had their sentences commuted will now have their sentences reduced to 20 years in jail. Other jailed persons will benefit from sentence reductions ranging from 6 months to 5 years. The decree grants total liberty to persons who have a prison sentence of up to 6 months. The decree, however, outlines the categories of imprisoned persons who do not benefit from the reductions. They include those persons jailed for theft, fraud, abduction, rape, corruption, embezzlement, customs fraud, tax evasion and the issue of bounced checks. [as heard] [Text] [AB181437 Yaounde Domestic Service in English 1400 GMT 18 Nov 82]

DAMAGES IN BORDER INCIDENT--Nigeria and Cameroon have each honored engagements undertaken to pay indemnities to families of victims following the frontier incident between the two countries last year in May. A release from the presidency of the republic says damages caused to the Cameroon Embassy in Nigeria have been paid for and Cameroon too has paid compensation to the families of the five Nigerian victims during the border incident. The release adds that the gesture was to maintain the (?existing) good-neighborly relations between the two countries. [Text] [AB151834 Yaounde Domestic Service in English 1800 GMT 15 Nov 82]

CSO: 3400/307

SEKOU TOURE DISCUSSES NATION'S FOREIGN POLICY, OAU CRISIS

Conakry HOROYA in French No 2935, 12-18 Sep 82 pp 7-13

[Interview with Guinea President Ahmed Sekou Toure by Mr Lacote, AFP correspondent in Dakar; date and place not specified]

[Excerpts] Lacote: Mr President, in the past you have often criticized French policy and French political parties. Can you tell us what your relationship is today with the Socialist Party which has been in power in France for 1 year?

President Sekou Toure: Our relationship with the Socialist Party is good. The invitation that the president of the French Republic and leader of the Socialist Party was kind enough to address to us is proof of this and our enthusiastic response is also an indication of our sincere desire to have all the contact necessary for a greater understanding in order to confirm the sentiments of confidence, friendship and respect, and to strengthen the bases for cooperation on many levels between France and Guinea.

We will be very pleased to have broader discussions with the leadership of the French Socialist Party. We have desired this on many occasions as we are more of a politician than an administrative figure and we value our functions as leader of the Guinea National Revolution more highly than those as president of the People's Revolutionary Republic of Guinea. In other words, we would like to be and to remain a servant and a soldier of the revolution throughout our life.

Lacote: Mr President, you have recently made several trips abroad, not just in Africa, but especially to West Germany and to the United States. How can Guinea's foreign policy be defined at present?

President Sekou Toure: Guinea's foreign policy has always been clearly defined. Guinea wants to cooperate with all the nations in the world on an equal basis without any discrimination. In our opinion, considerations of race, religion, or ideological or political options are not obstacles to cooperation. And, since independence Guinea has maintained excellent relations with the Federal Republic of Germany while simultaneously it has had excellent relations with the Democratic Republic of Germany and maintained

them with the same concern. And our most recent visit upon the invitation of our colleague, the German president, was very satisfactory. We noted the total availability of German authorities and the willingness of German enterprises to cooperate with Guinea in various areas. We must say that we were extremely satisfied with our visit to the Federal Republic of Germany, as well as with the visits we have just made to Spain and to the United States of America.

In both countries the results were also excellent and we reported to the international press the considerable improvement in relations between our country and the United States of America; although this was not an official visit, the conditions under which it was conducted were much better than those of the three state visits that we have made to the country. In other words, we were struck by the degree of confidence and friendship that the American authorities displayed toward us.

Lacote: Mr President, next year you are to arrange the OAU summit meetings of the chiefs of state. But, this organization is currently in the midst of a rather serious crisis. How do you plan to resolve it and to be able to assure the normal functioning of the presidency that you are to assume and of next year's summit?

President Sekou Toure: We must tell you that the OAU is the work of all the nations which wanted to form it and also of those who joined it after its establishment. Its normal operation has therefore been based so far upon a common desire on the part of the independent nations of Africa. And the OAU still remains a necessary, if not essential tool for cohesiveness and cooperation on the continent. For our part, we consider the safeguarding of the OAU and its regular operation as a personal honor, having traversed the continent in 1962 and 1963 to ask our colleagues at the time to agree to a joint meeting, the very one which gave birth to the OAU in Addis Ababa.

The current crisis was foreseeable. It was related to contradictory interpretations of various OAU provisions. Furthermore, we think that after the failure of the attempts for meetings in Tripoli, all the African governments have recognized the importance of the OAU; for if it were to disappear, it would be a shame for every African nation. We are therefore convinced that the psychological and political conditions exist to bring the Africans around in order to close the gap which currently divides them and to restore life to the OAU.

And, as we have already indicated, as far as we are concerned, the Saharan Democratic Arab Republic is not yet an independent and sovereign state and therefore cannot be considered a member of the OAU. Let us not confuse a political movement, whatever the honesty of its intentions, with a decolonization movement. As far as we are concerned, the Western Sahara was decolonized by the signing of the treaty in which the reigning colonial power of the time, Spain, agreed to terminate its administration after having recognized the legitimacy of Morocco's and Mauritania's claims to the Western Sahara. This treaty had been adopted by the same African nations

who now would like to see the Polisario as a liberation movement. We do not want to fire the debates, as we are seeking an honorable solution; this will not take long. I am convinced that the OAU will be back on track before the end of the year and that Africa will have an OAU then respected by everyone through the provisions of its charter.

Lacote: Mr President, I am going to ask you one last question about your country. Guinea's official gazette recently announced the sentencing of Mr Kabassan Keita for the misappropriation of public funds. Do you foresee specific measures in your country to put an end to the embezzlement and fraudulent practices which you yourself have sometimes denounced in various speeches and which can paralyze your country's economic development?

President Sekou Toure: Guinea has proclaimed its revolutionary vocation; consequently, it has been provided with all the institutional, organizational and operational structures to enable its people to control its political, economic, social and cultural life, and therefore the operation of the state.

Guinea is the only country in the world, the only people to have proclaimed a historic phase which is not even envisaged by others, that of the Party-State, eliminating any dichotomy between the state and the people.

Besides, just recently you witnessed a meeting assembling around 1,800 representatives elected at all levels: districts, arrondissements, communes, regions; plus all the national representatives: national leaders of the unions, the women's groups, the youth groups--they all participate in the conception, the discussion and the decision on everything involving the nation's development. Minister Kabassan has made mistakes, and it was at the same Palace of the People that these mistakes were revealed. The courts were informed, he has recognized his errors before the court and before the people. You will understand that if he recognizes that he has made serious mistakes, he also recognizes that he deserves the punishment inflicted. The people are watching. Kabassan is not the only one. There are dishonest people at all levels. And dishonesty is one of the causes of the African continent's economic backwardness. We are not saying that Africa has a monopoly on dishonesty. Dishonest people are found on every continent, in every nation, even in every province or region of a country, and in most families. But, we cannot compare ourselves to the Americans, the French, the English or the Germans in this area. We must take our country's considerable backwardness into consideration in order to respect public funds which are the only sources capable of promoting an economy to satisfy the tremendous needs of our people. You, you can be tolerant of a minister who has misappropriated millions. But, as for us, we are strict; and as for the repressive measures against theft and against social dissipation, drug use and alcoholism for example, these measures have been enacted by the people, and one of the characteristics of the Guinea People's Democracy is that all the codes in force in the jurisdictions have been discussed in every village and every district. The Guinea Parliament is not authorized to pass legislation that the people have not adopted. Statue 043, currently in force and dealing with the repression of theft, was discussed by the people at all levels. And Mr Kabassan had participated in

discussions of this legislation as a representative and member of the Central Committee. If he violated it, he should be sentenced, and he has been.

We are firm in the preservation of the people's resources. The African middle class is not comparable to the European middle class which sides with the plants, industry and various manufacturing activities in order to initiate accumulation of wealth, to reach a certain level of ease and then to want to seize political power. In Africa, it is high level officials responsible for managing public resources who misappropriate these funds purely and simply, and who would like at the same time to influence the people. It is just as if the colonial powers are being replaced and the policy of exploitation and oppression is continuing, and the people must still remain the object and not become the subject of their history. This is why we are strict and we will remain strict. We can be blamed for any fault, but not for indifference to the poverty of our people in complicity with those who want to delay our people.

So, the struggle that we have initiated is a sacred struggle, whether you call it a class struggle or a political struggle, before it is an economic struggle. We have a given concept for the development of our society. We want it to be harmonious and to be based exclusively on man's merit and freedom, and not on theft and exploitation. And this is why we are coming down hard on theft and sentencing the thief no matter at what level he is found. And our legislation is more severe for Party-State leaders than for lower level activists.

Lacote: I thank you Mr President.

9693

CSO: 3419/16

PSM PRESIDENT INTERVIEWED ON PARTY'S ROLE IN GOVERNMENT

Port Louis HORIZONS NOUVEAUX in French 3-10 Oct 82 pp 3, 12

[Interview with PSM President Parsooramen. Date and place not given.]

[Text] [Question] Mr Parsooramen, the Mauritian Socialist Party (PSM) of which you are president has been in existence for 3 years. Would you please tell us about the PSM's progress since its establishment in 1979?

[Answer] The PSM came about after the expulsion of our three comrades, who found themselves faced with two alternatives: to join an already existing political party or form another political party, thus responding to the people's desire at that time for creation of a third force. After careful consideration, the three expelled comrades, with the counsel of a team of advisers, decided to establish a third force. Four comrades joined forces at the outset of this task to form the PSM: Seenyen, Maudarbaccus, Ruhee and myself. We traveled a difficult road. In view of the dissesusion, our three comrades ran into many difficulties; they saw their strength reduced from 14 to only 3. Despite the difficulties and the pressure, our comrades persisted, and finally their sincerity enabled them to overcome the obstacles. With the help of the three dissenters' comrades in action, the PSM was born. We know that it was not easy to sustain a small party on the political scene. The comrades' work and the leader's devotion bore fruit, and the party became a credible national party on the Mauritian political chessboard.

[Question] As you have stated, the dissenters had the choice of joining an existing political party or forming a new one. Why form another party when the MMM was already responding to the socialist ideal, which the PSM also claims to follow, and particularly since the MMM has stated through the voice of its leaders that it has been, since its founding, the inheritor of the Labor Party of 1936?

[Answer] The formation of the PSM was a desire of the people at that time. They wanted a third force, a party which would contribute new ideas and a new concept of politics. After the publication of the Glover Report, the people felt a degree of disgust with politics. All this contributed to the formation of a third force. In June 1979, during a meeting at Rose-Hill on the Glover Report, the 35,000 people present had voiced their approval of establishment

of a third force. Thus, it was a recognition of the popular will. There was no thought of being part of the MMM, because we wanted to preserve our identity.

[Question] There was no thought of being part of the MMM perhaps because there were differences from the outset between the MMM and the founders of the PSM?

[Answer] Certainly there were differences in our way of looking at several issues. However, there is also the common objective, socialism. In many cases our views on things are different from those of the MMM, and that is why we did not consider joining the MMM.

[Question] You talk about socialism as the common objective. What does socialism mean to the PSM?

[Answer] To us, it is essentially improvement of the situation of the workers and of the underprivileged within the framework of the Mauritian mixed economy. There are certainly some areas where the basic rights of the workers are not respected. This is because the current capitalist system does not respect these rights. The goal of our struggle is to restore to these workers their dignity and what is due them, through changes in the country's economic structure. Basically, socialism means doing everything possible at the level of the state structure and government, through amendments to legislation, to restore dignity to the working class and give it a better living standard. Our major concerns are the quality of life, human dignity, and changing of existing structures to put a stop to exploitation.

[Question] That ideal is like that of the MMM. The latter has laid out a strategy on the basis of a class analysis. What is the PSM's own analysis (with respect to classes) of current Mauritian society?

[Answer] We see it in the perspective of the struggle between the capitalists and the workers. However, we do not believe that there has to be a direct confrontation, open war, or a revolutionary system to correct the situation. That is not possible in the Mauritian context. There must be decisive changes in structures and in the capital/labor relationship, but these changes will come about through new laws and new strengthened relations.

[Question] The MMM ideal is disappearance of capitalism in all its forms. First, does the PSM share this viewpoint, and second, how will you build this socialism to which you aspire?

[Answer] To respond to the first part of your question, I do not know over how long a period that ideal extends. For the immediate future we do not envisage that situation. Even the MMM has admitted that. In our view, it is not possible in the real world to have a totally state system. By contrast, we envisage a mixed economy where the state will have more control over the economy, but without capitalist exploitation as has been the case in the past. Frankly, we do not believe in a totalitarian system, in a system where the state will control everything. No, we do not believe in that. The government

will define the national objectives, and the private sector will operate in that framework. As a result, our joint program (MMM/PSM) proposes socialization of the means of production. We have defined our policy, especially in regard to nationalization, control of the economy--the role of the private sector in a mixed economy. Even the MMM has recognized that a considerable number of its 1976 goals have been in practice impossible to implement immediately. It is a matter of stages and preparations for the profound changes to come. The implementation of the joint program will produce an evolution toward the system we envisage.

[Question] What is the PSM's assessment of the 3 months of joint government?

[Answer] Certainly, when we grasped the economic and social realities of our country, our perspective changed. The government has achieved a great number of things in 3 months, particularly in new legislation to the benefit of the workers. It is also true that the people expected immediate changes, and more drastic changes, such as creation of jobs...etc. After comprehending the country's economic realities, we found ourselves in a difficult concrete situation. We sincerely believe that all the ministers, and the government in general, are performing in an exemplary fashion and that these efforts will bear fruit in the near future. The current situation is not insolvable.

[Question] It is the perception of a considerable element of the public, wrongly or rightly, that the PSM, while saying that it wants to play a moderating role in the government, in fact operates as an obstacle to change. What is your comment on this?

[Answer] The prime minister made a statement on Wednesday on the subject of an alleged Libyan loan of 9 billion rupees, and at the same time affirmed that there was no pressure by any alliance partner. There is a government in power and there is the collective responsibility. It is not accurate to say that the PSM is operating as a brake on implementation of measures. I believe that this is a systematic campaign of denigration of the PSM. We do not, at this point, know the origin of this campaign. The PSM ministers have taken very tough decisions--the minister of cooperatives has dismissed...etc.

[Question] To get back to this 'campaign.' The PSM has indicated in its statements that the campaign is probably produced by pro-Libyan elements, by the press, implicitly by the MMM, by supporters of South Africa, and even by the Labor Party, since jealousy has been mentioned. Does this, in effect, mean objectively that there is a general dislike of the PSM?

[Answer] We believe that this is a well-planned campaign with a clear objective to benefit one political element. It is a fact that we have to live with, and we will strive to prove ourselves by sincerity in our work. The people will judge on the basis of the work accomplished. Rumors and palaver are one feature of politics.

[Question] Let us turn to a subject other than the campaign. There have been some attitudes on the part of the PSM leaders themselves which have been,

to say the least, surprising. For example, there was a kind of regret at the labor loss...

[Answer] That statement was made in the context of an analysis on the Labor Party defeat. It had nothing to do with the accomplishments within the government. The PSM acts in accordance with the Government Program.

[Question] Don't you think, however, that some statements here and there, and the membership of some former labor people in the PSM, tend to link the PSM to the Labor Party, which is not remembered happily by many Mauritians, and that therefore...

[Answer] The contacts are not with former labor people who had so many privileges under the former regime. The contacts are with the working class, who now feel much more at home in the PSM. Those who had been privileged under the former regime and who had taken over the Labor Party for their personal interests have no place in the PSM. Anyway, there has been no recruitment, we simply have people who favor us.

[Question] Nevertheless, it is symptomatic that the state bourgeoisie is trying to offer its hand to the PSM after the demise of the Labor Party...

[Answer] If people express approval of the PSM, that is a matter of affinities. Clearly, however, they will never be able to use this relationship to benefit in any way. If the state bourgeoisie think they can obtain favors from the PSM to maintain their privileges, they are mistaken. The PSM does not view policy from a communal viewpoint but a national one, and the state bourgeoisie is composed of members of only one community. Every new government, in any country, runs into this problem. This state bourgeoisie came out strongly for the MMM-PSM after they came to power, even more than any sincere party member. It is a real danger, and we certainly pay attention to it.

[Question] And how does the new government plan to solve this problem?

[Answer] The new government has clearly explained its position. There is a program to implement, and the new government will work within that framework. The officials also have to work within the framework established by the current government. The civil service has to implement the government's projects. Anyone who does not respect the established framework will take the consequences.

[Question] Have any differences which might be regarded as important emerged between the government and the PSM since the assumption of office?

[Answer] There have not been any different stands. The PSM expresses its opinion in the joint committee when necessary. I don't believe I should reveal instances where there are divergencies. It is a collective responsibility. The PSM always maintains its identity within the alliance and contributes to the work.

[Question] The latest PSM congress seemed to show that the party is not well enough established in all four corners of the island. Would you discuss your organization plans?

[Answer] I don't believe you can say that the PSM is not adequately established in all parts of the island. Harish Boodhoo's contact with the people and basic-level work across the island has enabled the PSM to become established everywhere. Now we want to give the party more rational organizational structures--branches and district committees which will function democratically. The party is strengthening its positions in all the districts to keep the party dynamic and closer to the people.

[Question] How are your relations with the other political parties? Would you comment on the recent purge within the Labor Party?

[Answer] We are convinced that the Labor Party will not be able to recover after the rift which took place. The past is too great a burden and the credibility nonexistent. They are still fighting each other for the leadership even after the election. Officially, the PSM has no relations with the other political parties. We do have contacts with individuals.

[Question] What is the PSM's official position on the issue of national languages?

[Answer] We favor promotion of all the existing languages in Mauritius. All these languages have contributed in one way or other to the enrichment of the national culture. Our leader has said in this connection that we must stop thinking in terms of Eastern or other languages. All the languages have the same rights; the majority speak Creole, but there is also Bhopuri, which is also widely spoken. The MMM/PSM policy is to give the same support to both languages.

[Question] A question of a general nature. In the past, a number of scandals were denounced by the opposition. However, now that it is in power, is the opposition proving reticent to fully investigate certain scandals, the one involving Air Mauritius, for example?

[Answer] We could not "devir tu anba lao" [turn everything upside down] immediately after assuming office. The government has taken some measures and several investigations are currently underway. However, we "pa kapav rul peyi" [cannot rule the nation] solely with investigation commissions. The people are justifiedly impatient. In time, we will assemble the new guard and take the necessary measures.

[Question] We sometimes get the impression that, while the MMM is working in the context of government policies, the PSM is working for partisan interests...especially since the PSM is already talking about 1987 elections.

[Answer] I do not believe the PSM is operating with the viewpoint of strengthening its political position. The PSM is operating within the

framework of its general commitment with all social elements or individuals toward the goal of our common vision, which we also share, of creating a consensus... In the short term, it is doing so with the purpose of rallying as many people as possible around the government in order to produce a consensus and thereby bring about the necessary changes. Thus, this contacting of various categories of people or social groups is not done with the purpose of strengthening our own political position. Nevertheless, the PSM does as a party have the right to strengthen and better organize itself with the objective of preserving the party's identity.

[Question] Do you have any special statement to make?

[Answer] First, as a government partner, we will call on the people in general to give us a helping hand in our work, particularly since we are living through a difficult period. The government has to face up to some hard realities. We have undeniably done our best during the past 3 months, but 3 months is nothing in relation to the huge task we have ahead of us. The press must also join in this task by making positive criticism.

There are a number of rumors in circulation about the PSM, but I believe they are all without foundation. The PSM has conviction and is sincere in what it undertakes. Our objective coincides with that of the national interest, and is not parochial, as some are trying to make people believe. We work in the interest of the whole island of Mauritius.

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CSO: 3419/70

INTERVIEW WITH BERENGER

Paris LE MATIN in French 21 Oct 82 p 16

[Interview with Paul Berenger, former Mauritian minister of finance:
"The Berenger Impediment"]

[Text] Five months after its election victory of last 11 June, Mauritian socialism has broken down. The regime's "strong man," Paul Berenger has resigned from his post of minister of finance, thus threatening to create a serious political crisis.

Founder of the MMM [Mauritian Militant Movement] which holds 60 of the 62 seats in parliament, Paul Berenger allegedly disagrees with the economic policy of his coalition associate, Harish Boodhoo, who heads the PSM [Mauritian Socialist Party].

Paul Berenger, supporter of economic austerity, is considered the "Mauritian Rocard. A veteran of May '68, at 37 years of age, he is the idol of Mauritian youth, but he clashes with the dogmatism of the island's traditional Left. If his resignation is accepted by the prime minister, Anerood Jugnauth, it could have serious consequences for the coalition in power. The main architect of the election victory in June, his departure will be a heavy blow and threatens to cause a split in his movement.

In an interview granted Roger Faligot several days ago, Paul Berenger had alluded to these "reforms in depth" which--if his resignation is not a mere political maneuver to impose austerity--he will only have been able to begin.

[Question] How do you define "socialism with a Mauritian face"?

[Answer] Mainly by three standards: a truly nonaligned socialism vis-a-vis foreign powers, but involved on the side of the peoples of

the Third World. Then a socialism which aims to preserve, then deepen democracy's achievements in Mauritius; that is a process which has already started. And finally, a modern socialism which seeks to increase wealth to distribute it better, a socialism of management, which learns fully the lessons of the failure of a certain type of nationalization elsewhere.

[Question] Since your victory in June, what economic policies have you initiated?

[Answer] We have inherited an extremely difficult situation. In the immediate future, we are attempting to regain economic independence vis-a-vis the International Monetary Fund, while starting reforms in depth. Likewise, we must become independent by stages vis-a-vis South Africa and seek other markets, especially as regards general imports and tourism. We expect regional cooperation both on the economic as well as political level, and on the creation of an Indian Ocean Commission, which would include Mauritius, Madagascar, the Seychelles and then, later, the Comoros and Reunion.

[Question] Do you seriously think you will be able to demilitarize the Indian Ocean and recover the island of Diego Garcia, which has been transformed into an American strategic base?

[Answer] First, we are patriots and we want to recover our country's territorial unity and regain our sovereignty over the Chagos Islands as well as Tromelin which France holds. Grossly economic motives impel us next: The Island of Mauritius, with an economic zone which includes Mauritius, Rodrigues, Saint-Brandon and the Chagos Islands and Tromelin is a great country of the Indian Ocean. A strategic problem finally: we advocate an Indian Ocean "zone of peace." We intend to proceed in two stages: first reestablish our sovereignty over the Chagos Islands. At the time of her visit, Indira Gandhi assured us of India's support and we enjoy the support of other countries in the region. A parliamentary committee is instructed to investigate thoroughly the conditions under which the Chagos were separated from Mauritius in 1965, in order to bring the matter before the International Court of Justice.

Once sovereignty is reestablished with respect to the English, who have kept the archipelago, we are considering later negotiations, aiming at the dismantling of the American base at Diego Garcia. Since we are absolutely nonaligned, we would not have any objection to regionalizing the problem. And in that case, involving the Soviet Union in the question, does not pose any problem for us. We are ready to do it.

[Question] How do you explain the crushing victory of your coalition MM/M/PSM and the disappearance of the labor party of Doctor Ramgoolam, in power since independence?

[Answer] Yes, it is a knockout, both for the labor party as well as for the so-called social democratic Mauritian party. We were elected by the masses of wage earners and unemployed, by the little people... But, at the same time, we have managed to attract to our side the private sector, the heads of enterprises. We have filled the vacuum on the Right and the Left. I do not see how the opposition on the Right is going to reappear.

On our Left, there is a party, Lalit de Klas (the class struggle in Creole), with radical positions, thoughtful people, dissidents from the MMM, with whom we can have proper relations among the leftist parties...

[Question] Nevertheless, the hand extended to the big sugar industry has indicated to some that the MMM's revolutionary period is over.

[Answer] Young students, we founded the MMM in 1969. I came from May-68, others from Frantz Fanon or Daniel Guerin. We made of it a libertarian Marxism in the light of the history of our country. We wanted a direct, ideal democracy and we spoke of the "electoral farce." And then history taught us the facts of life: a year later, we won a special parliamentary election with 78 percent of the votes in the prime minister's district. With the anti-election attitude that we had, we won an election hands down: That makes one think! It is then that the coalition of Doctor Ramgoolam and Sir Gaetan Duval cancelled the elections which were to take place in 1972. That was a period of confrontations, repression and prison. At the end of 1971, it was the real Far West! I was shot at regularly, my house was set afire, my friend was killed in my car, trying to reach me. With the party, trade unions and newspapers banned, we spent all of 1972 in prison.

Once we got out, we witnessed a relative return to normal until the 1976 elections. It was an extraordinary situation for a party which launched candidates throughout the country for the first time: The MMM managed to get two seats in the government!

And then after a parliamentary existence, you know the results of last 11 June: 60 to zero!

Consequently, there has been an evolution: but the MMM has not wanted anything else at any time but a democracy, the fullest possible. We were incredible idealists. I do not regret it, and fortunately today when we are now in power in Mauritius and ministers, there are young idealists to criticize us in their turn.

[Question] One reported last year a CIA assassination attempt against you and more recently the activities of the American agency during the June elections.

[Answer] We say that our information indicates that the matter had been attributed to the CIA.... As for its efforts before the elections, we had intelligence from a foreign source which we had verified as well as we could, which showed a certain CIA involvement with us. We have protested to the American ambassador that this stop, and as for us, that is that. But we are rational and vigilant. At this stage, we do not observe any sign of destabilization by any power whatever, not even South Africa...

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CS0: 3419/142

BERENGER URGES CONFIDENCE IN PRIME MINISTER, HOPE FOR ECONOMIC RECOVERY

Port Louis LE MAURICIEN in French 27 Oct 82 pp 1, 5, 8

[Report on 26 October press conference of Minister of Finance Paul Berenger; conducted in his office]

[Text] Mauritius has every chance of an economic recovery, Minister of Finance Paul Berenger said at a press conference held in his office yesterday. Berenger made few political statements, but he emphasized "strongly" that "the people of Mauritius must retain complete confidence in our prime minister, Anerood Jugnauth," and that the government will be "homogeneous and stable."

In order to prove that Mauritius' chances remain intact, he stressed the fact that the World Bank has confidence in the new Mauritian Government, as shown by the number of persons now on missions in Mauritius and by the tone of the letter sent to regional director Gue.

Berenger also spoke of his project to obtain a 1-billion-rupee loan in order to begin production projects that would increase the country's wealth, not to be swallowed up in prestige projects "as was the case under the former government, which," he said, "wasted the massive loans contracted abroad." However, Berenger said, the conditions for the 1-billion-rupee loan have not yet been drawn up, which means that we are not yet sure of obtaining the money. He summoned the private sector this afternoon to discuss it. Berenger said yesterday that he expects the private sector to play its full role within the framework of the government effort to obtain the loan and use it for the creation of jobs. However, he warned the country against euphoria after the depression of the recent political crisis. "The country will not recovery in one or two years," he emphasized, although projects can be initiated before the end of the year and the following months in order to begin the economic recovery.

Berenger stated immediately that he was holding a press conference as minister of finance and that the prime minister would soon address the nation. He reminded those present that the budget he had approved three months ago was above all a budget of economic recovery. "I said and I repeat that the recovery of the economy, investments and employment depends first and foremost on a psychological atmosphere. I am totally satisfied that a climate favorable to the recovery has been created despite the burdensome economic heritage

bequeathed to us by the former government and despite the considerable impact of the international crisis. It is true that the political crisis which the country has just experienced has definitely not helped the country. But having said that much, I wish, as minister of finance, to emphasize strongly today that our chances remain intact, vis-a-vis other countries, first of all. At this very moment, a large delegation from the World Bank is in Mauritius. The number of persons making up that delegation shows that our chances are totally intact. And the letter given to me from the head of the World Bank for the region, Mr Gue, confirms this."

Vis-a-vis the International Monetary Fund (IMF) and foreign investors as well, the island of Mauritius has kept its chances "intact," the minister of finance said. "Every project, particularly the construction of new hotels, will be carried out as planned."

Loan

Berenger then spoke of the 1-billion-rupee loan he is in the process of negotiating for Mauritius. "With the green light from Prime Minister Aneerood Jugnauth, today I resumed the moves I made aimed at obtaining a loan of 1 billion rupees with acceptable conditions in order to carry out projects that are directly productive and commercial, projects that will create jobs. It is not yet certain whether the loan will be obtained, but I would do everything possible to obtain it. If we receive that money, it will go through the World Bank and be channeled into investment in projects carried out either by para-state agencies or joint public-private enterprises. They will not be prestige projects or infrastructures; they will be directly productive."

Berenger continued: "We have decided to mobilize the private sector in this effort and we have arranged a meeting at 1430 hours with its representatives on Wednesday (today), following a meeting with the trade unions. I will meet with the Joint Economic Committee, the Mauritius Employers Federation, the Chamber of Commerce and Industry, the Association of Free Zone Employers (MEPZA), the Chamber of Agriculture, the Mauritius Sugar Planters Association, the Association of Bankers, the Association of Insurance Agents, and representatives of the hotel and restaurant trade. In this effort to obtain the 1-billion-rupee loan, we shall mobilize everyone in order to plan projects that are directly productive."

"We are moving ahead, our chances are intact and I am appealing to the country, as minister of finance, not to be discouraged by the crisis which the country has just gone through," Berenger said. "There must not be discouragement, either among investors or workers, or among government employees either, for in recent months they have done their utmost."

Trust in Jugnauth

The minister then stated: "I am anxious to say this now: I recently found myself to be in disagreement with the prime minister, Aneerood Jugnauth, but I wish to emphasize strongly that the people of Mauritius must retain complete confidence in Prime Minister Jugnauth. I am fully satisfied that we shall

have a homogeneous and stable government that will have the lucidity, courage and determination that the country's welfare requires of the government. It is necessary that mentally and in our work and practice as well, we leave the political crisis behind us and that we concentrate on the essential."

The minister of finance continued: "For me, the essential thing as minister of finance and economy is to continue a policy of austerity and economic reconstruction so that within the shortest possible time, the country may regain its economic independence with an improved balance of payments and reduced unemployment."

Unemployment

Berenger then went on to speak about specific immediate proposals of his ministry: "The 'White Book' on the sales tax will be circulated on Friday. The one of rice and flour will be circulated on Tuesday and the details on the Solidarity Fund to help unemployed heads of family without any income will be ready and circulated in two weeks.

"If I said that for me, as minister of finance and economy, the essential thing is our economic policy, as a Mauritian, the essential thing is also that after the recent political crisis, our country get back on the path of progress it took on 11 June, in order to go beyond communalism and consolidate the unity of the Mauritian nation."

In conclusion, Berenger thanked the trade unions for "their good word" and for the appeals they addressed to him during the political crisis. "I am mainly speaking to the trade unions, but also to all Mauritians in general who wish to make a success of our economic recovery effort."

Questions From Newsmen

Berenger then answered questions from the press.

[Question] You have emphasized that the country will have a stable and homogeneous government. You therefore assume that the government crisis will be solved very rapidly, moving toward a reorganization of the coalition?

[Answer] I did not say what you said. I did not say more or less. What I said is that I am satisfied that whatever happens, Mauritius will have a stable and homogeneous government.

[Question] Are you satisfied that the atmosphere in the country since the budget has helped the recovery? Are you satisfied that your budget has helped the recovery?

[Answer] I said what I said, but not only with respect to the budget. The budget is also a method of work for the government, a whole policy of continuing dialogue. Not all this comes just from me, naturally, but from the entire government team. I say and I repeat: We have succeeded in creating the necessary psychological climate and getting the recovery going. I add: The recovery is still possible. It depends on the will of the Mauritian people.

[Question] The main concern in Mauritius now is employment. Are there projects already being carried out? Do you hope to create jobs by the end of the year? Will the projects you want to finance by the 1-billion loan materialize rapidly? What are your hopes for employment for the next 6 months?

[Answer] After being depressed by the political crisis, we must not go to the other extreme of euphoria and a lack of realism. In order to correct the balance of payment problem and solve the problem of unemployment, we need several years. It cannot happen in 1, 2 or 3 years. There are projects that will begin before the end of the year, reconstruction of the Plaisance airport, for example. Over the weeks and months to come, there are others, mainly involving road construction and hotel projects. The recovery will engender projects. With the proper climate, the momentum has already begun. Not a week has gone by without a new project being conceived. These are not major projects, but several modest ones. However, taken as a whole, they can accomplish a great deal. It is certain that if -- and it is a big "if" -- if we succeed in obtaining the loan of 1 billion rupees and if the private sector plays its role fully, as it must, then it is clear that things can move more quickly. And as for us, we shall do everything possible. Some of the projects which I mentioned at a recent press conference as to be financed by that loan could get underway very rapidly. But once again, I do not want to discourage anyone, but I wish to repeat that we are determined to attack the problems of the balance of payments and unemployment over the next 2 or 3 years and beyond.

[Question] Can you give us more details on the 1-billion-rupee loan? Are you negotiating it with private banks or with other institutions?

[Answer] We are not putting all our eggs in the same basket. I have already made contacts in several directions, but in no case does it involve loans between governments. The possibility is of a loan from a financial institution, not a bank, but a loan from financial institutions to the Bank of Mauritius. If things turn out, the money could go through another bank in order to reach the Bank of Mauritius. But we shall keep the people perfectly informed. We shall work much harder on transparency so that there can be no accusation of any commission or trickery. Once again, I must state that we are not yet sure of obtaining the loan. Now the government of Mauritius will officially take charge of it.

Past Loans

[Question] You said that the country must seek economic independence, but you are negotiating loans with the World Bank and the IMF and you are undertaking discussions for another 1-billion loan. To what extent do you believe that these loans would help us regain our economic independence?

[Answer] In the past, the government that preceded us put the country heavily into debt. But what is much more serious is that the money borrowed was swallowed up in bank projects and squandered. The money we are going to borrow

from the World Bank and the 1-billion-rupee loan will be used in a completely different way: We are going to use those loans to increase national production and our exports abroad, to increase the production of products replacing imports so as to increase our national wealth. That is why, far from putting the country even more into debt, the loans will help us to rectify our balance of payments and emerge from our indebtedness. That is why we definitely need to pay very close attention to the conditions attached to the loans -- that is, the interest rates above all and the period of repayment, along with other conditions.

[Question] Mr Minister, one morning newspaper wrote that the sales tax will not affect rice and flour. Can you confirm that?

[Answer] Yes, but please be a little patient while awaiting the "White Paper." I confirm that, but do not believe that because I confirm it, the sales tax will affect all other articles. It is better to wait for the "White Book on the Sales Tax." There will be a whole list of products not affected by the sales tax.

[Question] Mr Minister, one of the senior ministers, Mr Boodhoo, said at a press conference that he sees no accomplishment by the private sector in the past 4 months, even though you called for an economic recovery. According to Boodhoo, you have nevertheless made many concessions to the private sector. Inasmuch as you said that the private sector has a great role to play, what would you say about Boodhoo's statement?

[Answer] I have not had the opportunity to discuss that with Boodhoo recently. I could do so on his return. I would then make my comments.

[Question] You promised details in two weeks on the Solidarity Fund for the unemployed. Can you say how many persons you intend to aid with the 40 million that you saved for that fund?

[Answer] You are trying to make me say in advance what I will tell the country in two weeks. I am therefore asking you to be patient. In two weeks, we shall give all the details: the number of heads of family, the amount per family, supervision, administration and all other aspects.

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CSO: 3419/139

BRIEFS

MALAGASY SUGAR PURCHASES--The Malagasy Republic has expressed its intention of buying Mauritian sugar. A request made to Intracorp, whose chairman of the board, Vishnu Lutchmeenaraidoo, has made two business trips to Madagascar, has been passed on to the proper Mauritian authorities. Madagascar is reportedly interested in buying a load of 20,000 tons of Mauritian sugar. This new market could turn out to be beneficial within the framework of regional cooperation and with an intensification of bilateral trade between the two countries. Government officials emphasize that we need an intelligent marketing policy in order not to disrupt our guaranteed markets. Our exports are now made in bulk form and it is thought that exporting in semi-bulk form or bags might entail additional costs. Discussions will therefore have to take place concerning prices. The same officials note that no sugar transaction will be carried out to the detriment of our traditional markets, particularly the EEC and the United States. Furthermore, Mauritian authorities would like to be assured that the new markets are not merely temporary with severe economic repercussions on the country after a few years. It will also be remembered that Algeria has made a request to Mauritian authorities, a request still under study. [Text] [Port Louis LE MAURICIEN in French 26 Oct 82 p 1] 11,464

'HORIZONS NOUVEAUX' TO CEASE--HORIZONS NOUVEAUX is in danger of ceasing publication. In fact, Continuous Printing, which puts out the newspaper and one of whose executives is a former Labor minister, has asked us to provide a bank guarantee of 300,000 rupees. The reason given: security for the trials the newspaper is now facing. Otherwise, the certified letter sent to us states, the company will be forced to cease publishing the paper effective "Saturday, 23 October." Discussions resulted in a postponement for this issue. Considering the exorbitant guarantee requested, which amounts to cessation of publication, it is to be feared that the newspaper might not be able to continue if the latest negotiations should fail. It is a sad coincidence that after over more than a year and a half of publication by Continuous Printing, this ultimatum should come in the midst of the events of which we are all aware. Since we are speaking about the press, it should be noted in passing that the PSM [Malagasy Socialist Party] daily is now to be put out by Continuous Printing. [Text] [Port Louis HORIZONS NOUVEAUX in French 24-31 Oct 82 p 1] 11,464

NEW FORM OF RELIGIOUS STRIFE CALLED MORE DANGEROUS

AB121143 Lagos NAN in English 1045 GMT 12 Nov 82

[NAN feature; "Religious Fanaticism--Nigeria's New Baby" by Daniya Mawure]

[Text] The second round of religious riots which occurred in some parts of the country a few weeks ago came as a shock, as the episode in Kano about two years ago is still fresh in our minds, especially because of the high number of those who were killed and the property involved.

After the Kano disturbances of December 1980 led by Alhaji Muhammadu Morwa Maitatsine, who brought fanaticism to its zenith, in which more than 4,000 fanatics were killed and the subsequent probe that followed, people thought that put an end to religious fanaticism of such magnitude. However, the recent display of religious violence in some parts of the northern states now confirms that such fanaticism has come to stay in Nigeria.

The incidents in Maiduguri and Kaduna started just about the same way. According to the police, they received reports of a group of people amassing dangerous weapons in readiness for something sinister, as they went to investigate what sparked off the violence. In Maiduguri about 350 fanatics and 15 policemen were reported killed, and 250 vehicles and many houses burned or damaged. And in Kaduna 44 fanatics were killed after they murdered three people including an assistant commission of police.

The delay in crushing the uprising of the fanatics usually gave them time to prepare and go around houses in their enclave killing innocent people who did not belong to their sect. The Maiduguri violence, for instance, started on Tuesday, 26 October, but was not crushed until four days later.

Who are these fanatics? And what is their aim?

Islam, like Christianity, has two main divisions. These are the "Sunni" Islam, which comprises the main body of Muslims, and the "Shia" Islam, whose population in the Islam world is put at 10 percent.

The branch of Islam as propagated by Morwa Maitatsine and his followers is that of "a new emerging sect," different from all others. This sect believes in using violence to convert other Muslims (?into) their fold. In its doctrine

it teaches among other things that Prophet Mohammed was a (?false) prophet but that Maitatsine, their leader killed in Kano, was a prophet, and that prayers should be said only two times instead of five times each day.

They call themselves "Kala-Kato," a corruption of Arabic and Hausa which means "the food of the strong men."

Certain practices by this sect are bizarre. It believes in for instance, removing their victims eyes, ears, tongues, and toes to use for charms and rituals. [words indistinct] From Maiduguri and Kaduna confirmed that "some parts of their victims were neatly slashed by the fanatics."

It has been confirmed that some members of the fanatics are nationals of neighboring countries such as Niger, Cameroon and Chad. They move into Nigeria in large numbers without any immigration formalities due to the spirit of the ECOWAS treaty. "Uneducated" they are, and without any means of livelihood. They are easily mesmerized by the dogmas of religious fanatics through which they get comfort and hope for "a better tomorrow."

There is now a growing feeling that the ECOWAS treaty in respect of free movement of citizens across member countries should be reexamined. Echoing this on 1 November 1982 the Kaduna State legislature also called on the federal government to reexamine this section of the treaty accord to request its change since it now poses a danger to the peaceful existence of Nigeria.

The manner in which people responded to the attack by the fanatics in Kaduna was unexpected and praiseworthy. When they realized that the [words indistinct] Many vigilante groups were immediately formed. They took up the task of chasing and arresting the fanatics, some of who were burned alive. There were even reports of cases where some policemen pulled off their uniforms and joined the vigilantes to avoid being detected by the fanatics and they helped in directing the groups. Such vigilante groups also searched vehicles for fleeing fanatics and dangerous weapons.

On the second day of the operations in Kaduna some groups of people decided to also destroy houses [words indistinct]. This action may be misunderstood by the casual observers. Since the [words indistinct] tension and anger directed at lodges in general whose members are seen as responsible for most of the reported cases of missing people. When asked why this action on the lodge houses, one member of a group said, "We have to do this because they too are dangerous to the society and the police have also failed to check their activities."

The governor of Kaduna State, Alhaji Abubakar Rimi, was one of the many people who expressed gratitude to the vigilante groups for their bravery in helping the police. He congratulated the leader of the vigilantes who was present when the governor was visiting areas affected by the violence.

Also speaking a day earlier in the House of Assembly, the member representing Tudun Wada, where the violence started, Alhaji Ali Danhassan, asked the house to "join me in expressing gratitude to the vigilantes. Those we thought

could protect us in time of trouble failed us but the vigilantes, who were mostly young boys, saved us," he said.

Many people I talked to felt that the pardon of those fanatics already in prison by the federal government contributed to the present disturbances. That there was no evidence those released went back home and remained there without [words indistinct] the fanatics usual abode is the outskirts or slum areas of the (?town). Being tactical in their actions and operations, they wait till other people have gone on their day's assignments before they start doing any suspicious things they have planned. They sometimes used the cemetery as a meeting place because they would be mistakenly thought of as mourners, and they used youngsters as spies.

The case of Kano in which some churches were burned could be said to be by the "traditional fanatics." It was this fanaticism by students and their outside supporters that was known during the military regimes and before Maitatsine. For instance, there was that riot by some members of the Muslim Student Society (MSS) of Zaria in 1978, that incident when "Muslim only" was being written everywhere by some fanatics in Kaduna in 1980 and the Sokoto post primary schools MSS demonstrations in 1981.

The Kano riot, which also spread to other towns in the state, is a very dangerous development because it was not only inter-religious, unlike the Maitatsine's type which is intra-religious, but it was the first time the "traditional fanatics" carried out their attacks right to churches. This could spell doom for this country.

If there will be any civil war again in Nigeria it is not going to be north versus south or another "Biafara," it is most likely to be a religious war. Speaking on this in 1979 at the "Command and Staff College," the then Chief of Army Staff Lt Gen Theophilus Danjuma said, "I am not aware of any country that has survived one religious or sectarian strife. I am afraid that our country, Nigeria, may be living between wars. I hope I am wrong, but all the (?indications) and the signs to the contrary are there for any perceptive analyst to see.

"I regret to tell you that the biggest threat posed to our corporate existence as a country is not by any foreign powers but by us Nigerians. This is not to say that we lack foreign detractors, but they can only exploit our weaknesses and thrive on our divisions."

Here the general has told the plain truth, those who have ears let them listen. If drastic measures are not taken against all fanatics and their organizers they will soon strike in other towns again and we shall slowly be engulfed in total confusion.

CSO: 3400/281

NIGERIA

COAL INDUSTRY PROBLEMS ANALYZED, PRODUCTION CALLED LOW

AB110918 Lagos NAN in English 0852 GMT 11 Nov 82

[NAN feature: "Revamping Nigeria's Coal Industry," by Anthony Okafor]

[Text] If the Nigerian Coal Corporation were a stock company, it is doubtful whether its present poor performance could earn it a listing on the stock exchange. Production has fallen so low at its coal mines that at present less than 3,000 tons of coal are produced each month.

According to corporation officials, there has been a steady decline for several years. In 1981 total production per month from the Enugu and Okaba mines was nearly 9,600 tons, while in 1980 it was 11,700 tons. By contrast, in 1958-59, the year of peak production, when coal was mined only at Enugu, Nigeria produced 75,450 tons monthly, amounting to a total of 905,397 tons that year.

That, however, was when coal occupied a leading place in Nigeria as the key source of power for locomotive engines, power stations and boats. However, in the early 1960's, when Nigeria introduced new energy policies, with the large-scale use of diesel and hydroelectric powerplants, coal production started to decline.

Plans made by the federal government in the 1970's to salvage the coal industry began with the signing of a 20 million naira agreement in 1976 with a Polish mining firm, KOPEX, to mechanize the two mines at Enugu.

This agreement has now been abrogated. According to the minister of mines and power, Alhaji Ibrahim Hassan, the project is an "abysmal failure" undertaken "without proper feasibility studies and development work."

Mining officials at Enugu say that the problems which bedevilled the Polish project included inferior equipment, lack of spare parts, the inadequacy of supporting services and the lack of training programs for Nigerian engineers. Says one official, "Practically all the coal-face machines have now broken down, and without spare parts to repair them, production is grinding to a halt." According to him, the only part of the Polish project that still works well is the coal preparation plant which can wash 250 tons of coal per hour.

Over the years, studies undertaken by some West European organizations have indicated that Nigerian sub-bituminous coal and lignite are suitable sources of high energy because of their relatively high calorific value.

But according to corporation officials, no specimen of coal has yet been found in Nigeria suitable for producing coke to work metals, although it is proposed that in operating the Ajaokuta blast furnaces, a blend of Nigerian and imported coal would be used.

However, Dr C.I. Ezekwe and Professor A.O. Odukwe, of the Department of Mechanical Engineering, University of Nigeria, Nsukka, say that previous studies have indicated that only a maximum of 25 to 30 percent of Nigerian coal can be used in such blends. They also say that exploration is being undertaken to search for cokeable coal which some geologists think exists in Nigeria.

Other work is going on elsewhere in the area of coal utilization, notably at the Projects Development Institute (PRODA), Enugu, where a low temperature coal carbonization project has been implemented. PRODA officials say that their work is directed at finding ways of extracting by-products such as domestic gas, dyes and plastics.

There are about 270 million tons of proven coal reserves in Nigeria and even larger quantities of unproven reserves. The largest reserves are thought to exist in Benue State, while the main body of coal is found within the Anambra River basin. Coal has also been discovered in the Lafia-Obi area of Plateau State, and near Gombe in Bauchi State. Lignite or brown coal exists in a belt stretching from the lower Cross River to Onitsha, Ogwashi-uku, Okitipupa and beyond.

It is estimated that by 1985 the country's coal mines should yield 2,575,000 tons of coal. Most of this will be consumed by large coal-fired power stations and by the Ajaokuta steel mills. The proposed Benue power station is also expected to burn 1,600,000 tons of coal every year, while Ajaokuta should consume a further 400,000 tons. The remainder will be used by the Nkalagu cement factory and by the Oji power station, which is to be expanded to a capacity of 120 megawatts from its present 30 megawatts.

As the minister for mines and power recently indicated, Nigeria's lignite reserves may also be tapped if a thermal power station of 1,200 megawatts capacity is established at Onitsha. This should utilize a combination of lignite and gas fuel.

To produce enough coal for all these projects will require not only new investments in mining technology but also large-scale expansion of the Enugu and Okaba mines. It will also involve development of new open-cast mines at Orukpa and Ogboyoga in Benue State.

As much as they are concerned about finding enough funds to meet the expected commitments, mining authorities are also worried about service conditions in the mines, particularly for miners. There has been a large-scale exodus of miners, because of what an official described as "very poor service conditions."

There are other problems which the minister of mines and power has identified as "marketing, production and management." Yet, a number of factors generally point toward improved prospects for the coal corporation. Among these is the recent appointment of a general manager, for the first time since 1978. Another is the restructuring program spearheaded by President Shehu Shagari which, it is hoped, will prepare the corporation for its new role in the country's energy policy.

However, some experts feel that because of its coke deficiency, Nigerian coal is unlikely to become a useful export commodity in the near future. But interestingly others argue that with its good thermal qualities and rich chemical content it can meet escalating energy needs, and still others say that Nigerian coal can support a budding domestic chemical industry.

CSO: 3400/281

NIGERIA

RELATIONS WITH UNITED STATES ANALYZED

AB131250 Lagos NAN in English 1115 GMT 13 Nov 82

[NAN feature item: "Nigerian-American Relations: How Viable?" by Therese Nweke, NEWS AGENCY OF NIGERIA]

[Text] The visit of U.S. Vice President, Mr George Bush, to Nigeria raises a number of issues. One is the strengths and weaknesses underlying the relationship between the United States and Nigeria. Another is the extent to which America can reinforce its day-to-day relations with its African friends, notably Nigeria, in order to achieve a clearer perspective of local power realities and act accordingly.

Carter's was the first American administration to attempt a coherent African policy. Mr Bush's visit can thus be regarded as one of the direct results of cooperation efforts begun under the Obasango-Carter administrations. And there have been some achievement since then, notably in education, health, and to some extent, agriculture.

Under the two 1981 agreements signed by Vice President Ekwueme and Bush, the United States has provided places in its technical and higher institutions of learning to over 720 technical education administrators. This was estimated to cost Nigeria 2.1 million naira in 1981 and 4.6 million naira in 1982. However, in view of the new national education policy begun last September, which emphasizes technical education. This number is still abysmally low.

Under the health agreement, the United States was to assist Nigeria in training medical personnel, and cooperate in public health education, health information, environmental health and communicable diseases. According to government officials, some progress has been made.

However, not much has been achieved at the governmental level in the way of trade. In fact, there is no formal trade and investment agreement between the two countries. Whatever cooperation exists is informal.

As the United States' second largest supplier of crude oil, Nigeria obviously values the stability of the American market. It also recognizes the need to

develop a more vigorous and healthy trade relationship with the United States in view of the fact that 90 percent of its exports to that country is crude oil, while its imports are in goods it should be more self-reliant in.

It is reliably learned that in 1980, Nigeria exported 6,919.82 million naira worth of crude oil to the United States. In 1981 it exported 6.1 billion naira worth to the United States, and recent government trade figures show that in the first six months of this year it sold almost 4.1 billion naira worth of oil.

Conversely, it is estimated that Nigeria imported 850 million naira worth of goods from the United States in 1980. Last year, the import bill was 1 billion naira, and in the first six months of this year imports were 493 million naira. These imports consisted mainly of wheat, rice, corn and poultry products. At present, the imposition of the federal government's austerity measures has put a stop to poultry imports.

Because of the pressing need for better healthy trade relations, there have been a series of efforts aimed at facilitating more balanced trade. Some of these have involved Nigeria issuing multiple entry visas to American businessmen. The United States reciprocated this gesture only this year. Last September, a trade centre was opened in New York, and one it is said, will be opened shortly in Chicago.

There have been various trips by Nigerian and American businessmen under the auspices of Nigerian and American chambers of commerce. The most recent was last September's visit to Washington by a Nigerian group headed by Chief Adeyemi Lawson, president of the Nigerian Chamber of Commerce. There is also a Nigeria-U.S. business council in the United States. Two Nigerian banks, namely the National Bank and the United Bank for Africa now have offices in New York.

The Joint Agricultural Consultative Committee (JACC) was set up in 1980 to facilitate cooperation between Nigerian and American businessmen on agriculture. Recent JACC figures show that agricultural projects worth over 400 million naira are being implemented. Some involve poultry, rice and vegetable production, as well as irrigation and bore-hole construction.

At least 70 U.S. companies are involved, and include Beatrice Foods America's largest food processing company. These companies have provided assistance to the river basin authorities, other green revolution programmes and some large-scale farmers. At present American agricultural machinery is imported, but several companies are investigating the possibility of assembling agricultural machinery.

But while the beginnings of better trade relationship between the two countries have been made, these are extremely modest. Any long term improvement must stem from closer government-to-government cooperation and involvement. If the United States wants to extend its influence in Africa, it has to create a larger circle of friends and reinforce old relationships, by pursuing more aggressive export development policies.

There is also the question of better political support between the United States and African countries. Nigeria at present exercises considerable influence in the OAU and ECOWAS, and is virtually an ex-officio member of the frontline states. It would therefore seem that for America to realize its aims in Africa, it requires closer cooperation with Nigeria.

But the Reagan Administration has been preoccupied with Central America, Poland, the NATO allies and the Middle East. Meanwhile, African concerns, namely, Namibian independence and the struggle for majority rule in South Africa, have received only spasmodic and fragmented attention.

Two and a half years ago the assistant secretary of state for African Affairs, Mr Chester Crocker, told the U.S. Senate Foreign Relations Committee that the Reagan Administration will give high priority to resolving conflicts in Southern Africa, a region of strategic, political and economic importance to the United States and the Western world.

He stressed: This administration believes it is important to stand together with proven friends in Africa to work with our African friends to address the sources of African instability.

What then has the United States done in resolving the thorny matter of Namibian independence? And who are its proven friends? These questions arise, because in an American TV interview later, President Reagan described South Africa as a friendly nation. He asked: Can we abandon a country that has stood with us in every war we've ever fought, a country that is strategically essential to the free world in its production of minerals we all must have? But South Africa is a belligerent nation that has invaded Angola at least five times since its independence in 1975, and has a 5,5000-man [sic] army occupying the Cunene Province in southern Angola. It is also common knowledge that mercenaries in Zaire have begun attacking northern Angola.

Yet the United States insists, that Namibia's independence is linked with the withdrawal of Cuban troops from Angola, and without an agreement on their withdrawal, there would be no settlement. There is also another unacceptable condition, that of Walvis Bay, Namibia's most important port becoming South Africa's after independence.

It is clear that there is no real relevance between the two, that of troop withdrawal and Namibian independence. But South Africa does, and the United States which sees the spectre of communism everywhere, concurs. It is also obvious that with South Africa's anti-SWAPO stance, if it can destroy supply lines from Angola and Zambia and weaken the defence capabilities of these countries, it would discourage assistance for SWAPO. Its goal is to have an unpopulated strip of no-man's land on both sides of the Namibian border.

Some analysts have argued that South Africa's destabilization measures in Angola, Zambia, Mozambique and every Zimbabwe, are aimed at making frontline states concentrate on defence and security. But this, ironically, necessitates situations like Angola's which create openings for a Cuban presence.

But while Reagan regards South Africa as a friendly nation, there are many, and this includes articulate groups in the West, who question the economic, and in the long run, political value of the relationship.

Nigeria's permanent envoy to the United Nations, Alhaji Yusuf Maitamasule, has also argued that people should realize that while they have investment and economic interests in South Africa, there are similar interests in the rest of Africa.

He contends that trade between the West and the rest of Africa is ten times as much as that with South Africa and the West. And he bolsters his arguments with the fact that outside of the EEC, Nigeria is Britain's largest trading partner.

Nigeria's stand on Namibia is clear, as reiterated by President Shehu Shagari at a recent state banquet in honour of Zimbabwe's prime minister, Robert Mugabe. He said that Namibia's independence should be unconditional, and emphasized that he saw no link between the withdrawal of Cuban troops from Angola and independence for Namibia.

It is necessary therefore for the West, and in particular the United States, to analyze carefully the long term gains to be had in fostering relationships on the continent.

CSO: 3400/281

DEPORTATION RECOMMENDED FOR 133 BECAUSE OF RIOTS

AB191712 Lagos NAN in English 1630 GMT 19 Nov 82

[By George Chuks Akpotuzor]

[Text] Kaduna, 19 Nov (NAN)--One hundred and thirty three of the 178 persons charged with causing the recent "religious" riot in the Kaduna metropolis were today recommended for deportation by a Kaduna chief magistrate's court.

The magistrate, Mr Saifullahi Coomassie, also urged the federal government to ensure that the persons who claimed to be nationals of Chad, Niger, Mali and Togo were repatriated to their countries within the next seven days.

Their immediate return to their home countries would save the federal government the cost of feeding them while in custody and would also prevent the over-congestion in the Kaduna prison, the magistrate ruled.

Mr Coomassie then ordered them to be remanded in police custody pending the outcome of his recommendation.

He gave the order following the admission by all the aliens, two of whom were nursing mothers, that they were illegal immigrants and that they had been residing in the country without valid passport and residence permits.

Earlier, a police prosecutor, Inspector Lazarus Koomen, had told the court that the aliens had to be charged with the immigration offence when investigations revealed that they were unconnected with the October 29 riot.

He stated that they were arrested soon after the riot at different check-points in Kaduna and were later found not to possess any travelling document.

It would be recalled that 40 other convicted immigrants from some of the West African countries were recommended for deportation by two other Kaduna magistrate's courts in the past two weeks and are still remanded in custody awaiting the outcome of the recommendations.

Meanwhile, 20 other persons out of the 178 have been discharged by the chief magistrate's court on "substituted charges" of idleness [words indistinct] bound over to be of good [words indistinct]. Investigations showed that the accused persons were not involved in the riot.

The remaining 20 persons, also Nigerian, were then arraigned in the court on a three-count charge of unlawful assembly, rioting and public disturbance.

The accused persons, including eight juveniles and an 85-year-old man, were said to have assembled at Rigasa village on October 29 and started a riot in which several people including an assistant commissioner of police and a sergeant were killed.

Their case was adjourned to Wednesday to enable the prosecution to produce its 29 witnesses in court.

[Words indistinct] also ordered the juveniles into police custody while the rest were to be detained in prison custody.

Dozens of armed mobile policemen kept watch in the premises of the court throughout the duration of the proceedings.

CSO: 3400/281

CENTRAL BANK REPORTS JUNE 1982 MONEY SUPPLY

AB231639 Lagos Domestic Service in English 1500 GMT 23 Nov 82

[Text] The Central Bank says that money supply in the country stood at 8,826.3 million naira during the month of June 1982. This shows an increase of 221.8 million naira or 2.6 percent over the level recorded in the corresponding month of 1981. The report, however, showed a decline of 450.9 million naira or 4.9 percent from the preceding month level. The decline in money supply was reflected only in private sector demand and deposit components as currency outside banks rose marginally by 9.4 million naira or 9.3 percent.

According to the Central Bank report, aggregate banking system's credit outstanding to the domestic economy net rose by 190 million naira or one percent to 18,971.1 million naira over the level a month earlier. And compared to the figure for the corresponding month a year earlier, it rose by a huge 8,210 million naira or 76.3 percent.

Credits to government sector accounted for 57.5 percent of the increase in aggregate credit over the preceding month's level. Treasury bills outstanding at 5,782 million naira since the end of December 1981 increased to 3,663 million naira 178.9 percent over the level recorded in the corresponding month of 1981. Commercial banks increased their holding of outstanding treasury bills from 1,152.7 million naira in the preceding month to 1,659.6 million naira in the reviewing month. Treasury certificates outstanding remained at 1,707.6 million naira as in the preceding month, but declined by 320 million naira or 15.8 percent compared to the figure recorded for the corresponding period a year earlier.

The indices of world prices, London quotation of cotton lint, groundnut, groundnut oil, palm oil, rubber and soya beans were lower in the reviewing month than their respective levels both in the preceding month and in the corresponding month of last year.

CSO: 3400/281

NIGERIA

CONCERN OVER TRADE UNION ULTIMATUMS

AB140657 Lagos NAN in English 1642 GMT 13 Nov 82

[Text] Lagos, 13 Nov (NAN)--President Shehu Shagari, today in Calabar, expressed concern over the issuing of ultimatum by trade unions in the public sector as a means of settling trade disputes.

Speaking at the third convocation ceremony of the University of Calabar, President Shagari said that the procedure was contrary to the provisions of the law.

He said that workers, especially those in essential services, should make use of the provisions for the peaceful settlement of trade disputes.

President Shagari said that workers should not allow the pursuit of their partisan interests to becloud the wider interests of the community.

With the present slow-down in our economy, he said, prudence should be shown in the practice of responsible trade unionism both in the private and public sectors of the economy.

President Shagari said that what the country needed at its present stage of economic development was a true spirit of cooperation by all.

He said that the noble objective of all worthy citizens should be to consolidate the economic foundations of the country for peace, progress and political stability.

He also appealed to state governments, which had not indicated their representatives on the national labour advisory council, to do so without further delay.

President Shagari said that this was necessary to enable the council to continue the formulation of labour policies in the country.

CSO: 3400/281

NIGERIA

BRIEFS

EKWUEME ON IRAN-IRAQ WAR--The vice president, Dr Alex Ekwueme, has restated Nigeria's policy of noninterference in the internal affairs of other states as well as the maintenance of the sovereignty and territorial integrity of all nations. Dr Ekwueme, who was speaking yesterday when the new Iranian ambassador to Nigeria, Mr Menhaj Mohammed, paid him visit, called for an end to the conflict between Iran and Iraq. He remarked that in all conflicts in the Third World countries, it is always the big powers and the industrialized countries that gain. The vice president, therefore, urged developing countries to resist all attempts by the super powers to divide them. Earlier, the ambassador had explained that his country was a victim of aggression by Iraq which has destroyed many lines and properties. He remarked that Iraq has not acted alone in its war with Iran, but with the help of big powers, pointing out that the territorial conflict between the two countries was settled at a peace conference in Algeria in 1975. [text] [AB021041 Lagos Domestic Service in English 0600 GMT 2 Nov 82]

SEPTEMBER OIL PRODUCTION--Lagos, 5 Nov (AFP)--Nigeria produced about 1.5 million barrels of oil daily in October, well up on the September figures, Oil Industry sources said here today. Daily production in September averaged 1.17 million barrels, setting the average daily figure for the first nine months of the year at just over 1.27 million barrels. Nigeria's production quota is 1.3 million BPD under restrictions set by the Organization of Petroleum Exporting Countries (OPEC). [Excerpt] [AB051625 Paris AFP in English 1523 GMT 5 Nov 82]

PAPERS' SUGGESTIONS ON RIOTS--The NIGERIAN TIDE sees the last week religious riots in Maiduguri and Kaduna as posing a great danger to the stability of this nation. In the view of [the] paper, if something drastic is not done now to control ugly situation the country may one day wake up to find that the basis for the association that binds the people of this nation together has been destroyed. Concluding, the TIDE stresses that the time has come when religion should be confined to the mosques, churches and special parks, otherwise the country will be openly inviting the army from the barracks to prevent the destruction of the federation. And still on the Maitatsine surge which erupted in Borno and Kaduna State last week, the NATIONAL CONCORD is of the opinion that it was a presidential carelessness by granting discretionary prerogative of mercy to 1,000 convicts connected with the Maitatsine uprising in 1980. The paper says that the situation now calls for the much-discussed

national identification program as the country holds a record for its laxity in security matters and believes that "I.D." program will go a long way to check matters like the Maitatsine episode. Concluding, the CONCORD considers the incident to be too dangerous to be dismissed as mere arguments and also calls for a serious investigation into the disturbances. [Excerpts] [AB051831 Lagos International Service in English 1630 GMT 5 Nov 82]

RIOTS SAID 'POLITICALLY MOTIVATED'--Kaduna, 5 Nov (NAN)--The Kaduna police commissioner, Alhaji Hamza Katsina, told the NEWS AGENCY OF NIGERIA (NAN) today that his command was "of the strong opinion that the recent religious disturbances in the state are politically motivated." He said that the command received reports that some of the "fanatics" had been conveyed to the scene of clashes in vehicles belonging to a political party which he would not identify. Alhaji Hamza then disclosed that he had set up a "high powered" investigation committee to look into the role of political parties in the disturbances. [By: Sylvester Eseagwu] [Text] [AB051336 Lagos NAN in English 1302 GMT 5 Nov 82]

GOVERNMENT DENIAL ON RIOTS--The federal government has expressed concern over false allegations being made in certain quarters that the recent religious disturbances in Maiduguri, Kaduna and Kano were triggered off by the Maitatsine followers released from prison custody last August. In a statement in Lagos today, the government said the true picture was that the Council of State in consideration of measures for the decongestion of prisons all over the country had recommended that persons who have long awaited trial should be released from custody. It was in pursuance of that recommendation, continues the statement, that the federal government freed such persons throughout the country. It added that among them were about 923 suspected followers of Maitatsine detained in Kano prisons. A total of 223 of them who were non-Nigerians were quickly deported. The government stressed that it is therefore wrong to say the prerogative of mercy was exercised on them since they have not been tried, charged and convicted. It contended that this humanitarian gesture was (?mainly conceived) for political reasons. In the meantime, the federal administration has enjoined patriotic Nigerians to cooperate with the law enforcement agencies in identifying these religious fanatics who, it says, have taken refuge elsewhere and might threaten law and order again. [Text] [AB102201 Lagos Domestic Service in English 2100 GMT 10 Nov 82]

DISCUSSION OF RELIGIOUS STRIFE--An emergency meeting of Nigeria's National Council of State is being convened to further deliberate on the recent religious disturbances in some parts of the country. Its objective is to seek the cooperation of all concerned in finding a lasting solution to the problem. This was noted in the communique issued at the end of the meeting of the National Security Council held in Lagos. [Excerpt] [AB110949 Lagos International Service in English 0830 GMT 11 Nov 82]

PAPER ON U.S. ROLE--The NEW NIGERIAN examines the significance of the discussions between Nigerian leaders and the U.S. vice president, George Bush, during his recent visit to Nigeria. According to the paper, Mr Bush told federal legislators in Lagos that the United States has no magic wand to bring solutions to the issue of apartheid in South Africa and the tension in

the Middle East. Conceding that it is unrealistic for one to expect such a wand to cure any ill, the NEW NIGERIAN reminds Mr Bush of the statement of Senator Jallo Waziri that the United States was using delaying tactics over the Namibian independence question. In its view, Washington is better placed to work out permanent solutions to the problems in these areas since it maintains very close ties with South Africa and Israel. It is against this background that the NEW NIGERIAN describes as nothing to Mr Bush and his government the joint communique signed by him and Dr Ekwueme, particularly the aspect where they both agreed on independence for Namibia based on UN Resolution 435. [Excerpt] [AB181032 Lagos International Service in English 0830 GMT 18 Nov 82]

CRITICISM OF FRANCE'S ATTITUDE--The DAILY TIMES examines the foreign policy of France, and regrets that the Mitterrand government seems to be playing on the intelligence of African countries. According to the paper, reports have it that France is now planning to sell a second French nuclear powerplant to the apartheid regime in South Africa. What bothers the paper is how a government whose leading members spoke out most unequivocally against South Africa in Paris should eat its words. The TIMES makes it clear to President Mitterrand to realize that his plan will amount to an unpardonable distortion of the ideological principles which his party profusely professes. [Excerpt] [AB181115 Lagos International Service in English 0830 GMT 18 Nov 82]

SYSTEM OF MINORITY PROTECTION--The Nigerian Law Reform Commission says it will evolve a system that will protect interest of various social cultural and religious groups in the country. The chairman of the commission, Mr Justice Daly Alexander, gave the assurance while briefing newsmen on the functions of the commission in the Bornu State capital Makurdi yesterday. Mr Justice Alexander says a reformation of the Nigeria law system had become necessary because some of the laws which were initiated by the British colonial masters were not in line with the present social setup in the country. [Text] [AB220755 Lagos Domestic Service in English 0700 GMT 22 Nov 82]

KADUNA GOVERNOR ON RIOTS--Kaduna, 23 Nov (NAN)--The governor of Kaduna State, Alhaji Abba Musa Rimi, yesterday in Kaduna said that unless the underlying causes of the last religious disturbances in some parts of the country were found, there would not be a lasting solution to the problem. He told a delegation of the Kano State House of Assembly in his office that the country's security organs must find out the real people and reasons behind the disturbances. He pointed out that if the organs had been doing their work properly, they should have had a fore-knowledge of the latest disturbances since such riots were not breaking out for the first time. The 10-man delegation, led by the deputy speaker, Alhaji Idris Adahama, was in the government house to sympathize with the government and people of the state over the recent religious disturbances in Kaduna. [Text] [AB231128 Lagos NAN in English 1123 GMT 23 Nov 82]

CSO: 3400/281

SAO TOME AND PRINCIPE

DETAILS PROVIDED ON REPORTED COUP ATTEMPT BY NRF

Luanda JORNAL DE ANGOLA in Portuguese 26 Oct 82 p 12

[Text] Manuel Pinto da Costa, president of the MLSTP [Movement for the Liberation of Sao Tome and Principe] and of Sao Tome and Principe publicly denounced Saturday the existence of a neocolonialist plan for armed invasion against his country, using mercenaries who recruited and paid abroad.

This action, being prepared by a so-called "National Resistance Front of Sao Tome and Principe," which is headquartered in Portugal and is financed by international forces of domination and exploitation, and plans to destroy the MLSTP—which is the leading political force of the society and the state—and consequently overthrow the present government.

That so-called "front," which closely collaborates with the former colonists and is fully supported by them, has practiced on a large scale the policy of enticement, making use of the great sums of money in its possession to "buy the minds" of opportunist and ambitious Sao Tomians.

By the nature of the action program of the so-called front; published recently in the Portuguese rightwing press, one can conclude beyond a shadow of a doubt that its aim is to install in Sao Tome and Principe a colonial-capitalist regime, which was categorically rejected by the people.

The program, it may be recalled, calls for the devolution of nationalized lands to former colonists who occupied them by force and it gives the private sector the main role in the country's development.

"The people cannot accept the installation in Sao Tome and Principe of a capitalist style regime," said President Pinto da Costa in his speech to the assembly that he chaired during the preparations under way for the soon-to-be convened Third Extraordinary Assembly of the MLSTP.

The Democratic Republic of Sao Tome and Principe, a small country of close to 1,000 square kilometers, won its independence on 12 July 1975 after 504 years of resistance against Portuguese fascist colonial occupation.

According to the MLSTP program, the country is now in the revolutionary national democracy stage and its people have sovereignly chosen the non-capitalist road to development.

Meanwhile its strategic position--two islands in the Gulf of Guinea--does not escape the bellicose and expansionist ambitions of the forces of domination, who have been using all means to attain their sinister goals, although the country inherited a difficult economic situation which still exists, resulting from the cultivation of a single crop (cacao), the MLSTP, its legitimate representative, does not give up on its principles of liberty and sovereignty, admittedly only one that satisfy the interests of the masses of the people.

As a result of its legitimate intransigence the country fell victim to two coup attempts and had already experienced a landing by mercenaries who were detected and repulsed at the time by the people.

CSO: 3442/40

SOUTH AFRICA

TRADE POSITION IMPROVES DESPITE SANCTIONS

MB181746 Johannesburg International Service in English 1500 GMT 18 Nov 82

[Commentary: "South Africa's Trade With Africa"]

[Text] According to reports from the United Nations, African states are conceding privately that their most concerted campaign ever to isolate South Africa has failed dismally.

Last year, these countries got the United Nations General Assembly to vote 1982 the international year for the mobilization of sanctions against South Africa, and a top level world conference to boost the effort was held in Paris.

But now African delegates at the United Nations admit that South Africa's trading position is very much the same as last year. In fact, it is improving steadily, and the irony is that the African states themselves are partly responsible for the situation.

The South African Foreign Trade Organization, SAFTO, has just predicted a 13-percent rise in the value of South Africa's non-gold export this year, while the value of imports is expected to remain unchanged. Furthermore, SAFTO forecasts a 19-percent rise in non-gold exports and an improvement in gold earnings for next year, while imports are expected to drop, which will give the country a substantial trade surplus of about 4,000 million dollars, compared with this year's expected small deficit of 270 million dollars. South Africa's exports are expected to total 22,000 million dollars next year.

During the past 2 years, South Africa's exports to no less than 46 African states exceeded 1,000 million dollars, or about 6 percent of its total exports. Imports from African countries last year increased by 30 million dollars to almost 320 million dollars.

It is small wonder that South Africa's minister of industries, commerce and tourism, Dr Dawie de Villiers, recently stated that international politics did not really play a major role in international trade. SAFTO's general manager Dr Piet (Kiese) points out that South Africa's African trade figures are based only on direct exports. The indirect figure involving exports to Africa via other countries could be up by another 500 million dollars. Dr (Kiese) considers there is a vast, almost limitless market for South African goods in Africa. Exports cover a wide range of commodities, with food remaining the prime need. It, therefore seems that politics takes a back seat when Africa faces the realities of market forces. For 46 African states, South Africa is the best market they need.

SOUTH AFRICA

BRIEFS

SOUTH-AFRICA-LESOTHO MEETING--The South African-Lesotho intergovernmental committee has held its third meeting in Maseru. Among the topics discussed were the pattern of traffic along the border between Lesotho and the Province of Natal, particularly in regard to drug smuggling and cattle rustling, and the recognition of border posts. The official also reviewed cooperation between South Africa's farmers; cooperatives and Basotho farmers in the implementation of the self-sufficiency production program in Lesotho. The visiting South African delegation was led by Mr Raymond (Kern), the head of the Africa Division in the Department of Foreign Affairs, and the Lesotho delegation by the secretary to the Cabinet and senior permanent secretary, Mr. Joseph (Khotsokoane). [Text] [MB181725 Johannesburg International Service in English 1500 GMT 18 Nov 82]

JOB REDUCTION CRITICIZED--South African employers are using the economic downturn as an excuse for cutting back on their labor force at will. That's the claim made by representatives of two large trade unions. Carmen Ricard has details. [Ricard] Representatives of two giant unions have made this accusation in the wake of last week's announcement of cutbacks by ISCOR [South African Iron and Steel Corporation]. General secretary of the South African Boiler Makers Society, (Ak Van Der Watt) reacted sharply to ISCOR's decision. A report in a Durban morning paper quotes him as saying that employees have become so afraid of retrenchment that they are prepared to accept any action by management if this meant they would safeguard their jobs. Director of the Confederation of Metal and Building Unions (Ben Nicholson) says that many employers, including ISCOR, he says, are using the present economic conditions as an excuse behind which to disguise streamlining of their labor force. Both (Nicholson) and (Van Der Watt) have slammed the Metal Industries Employers Association [words indistinct] because it did not allow retrenchment control to be included in their industrial council agreement. Carmen Ricard, CAPITAL NEWS, Durbin. [Text] [MB230807 Umtata Capital Radio in English 0600 GMT 23 Nov 82]

ANGLICAN SYNOD--The provincial synod of the Anglican church has opened in Port Elizabeth. The church's executive committee has rejected suggestions that there should be no dialogue with those attempting to justify apartheid on theological grounds. Sandra Smith reports: [Smith] This week's synod and decisions taken are particularly important in view of the self-examination

taking place in the church, especially the NGK [Dutch Reformed Church], in South Africa. One of the resolutions passed has included a statement of support for the South African Council of Churches. All Christian churches have been urged to support attempts to persuade the department of cooperation and development to free them from the group areas act. And a resolution has been passed which says a national convention representing all groups in South Africa offers the only real possibility for peaceful solution to the country's problems. [Text] [MB181446 Umtata Capital Radio in English 1300 GMT 18 Nov 82]

CSO: 3400/309

PRESIDENT NYERERE REVIEWS PRODUCTION SECTOR

Dar es Salaam DAILY NEWS in English 21 Oct 82 p 3

[Article by Mkumbwa Ally]

[Excerpt]

THE Party Chairman, Mwalimu Nyerere said yesterday that the extensive gas fields discovered at Songo Songo island, near Kilwa and Kimbiji in Coast Region were one of the country's most important economic advances of the past five years.

He told the National Party Conference in Dar es Salaam that after intensive capital investment in the next five to 10 years, the deposits would be of great economic benefit to the country.

He explained that an agreement had been reached for the manufacture of ammonia and use of the gas at Songo Songo and that financing arrangements for the huge investment were in the final stages of negotiation.

Mwalimu was reporting on the sectoral progress and problems during the five years of CCM government.

He said the gas fields were located during the search for oil. The government had spent 260 million/- more than half of it in foreign exchange on geophysical and seismic surveys and drilling test wells, he explained.

Mwalimu said another 690 million/- was borrowed for more detailed exploration work but that oil had not been located yet. He said some private international companies had been commissioned to continue the search.

He said the answer to the country's problem of importing oil was to find it in Tanzania. "Government has been very active in this search (but) let me stress: unfortunately, it has not been found yet".

He said efforts in the mining sector were checked by high capital investment in opening new mines.

Whereas the sector earned 318 million/- in foreign exchange last year, some 2,000 million/- was needed to develop the potential Mchuchuma open cast coal mine in Ludewa, Iringa region, he pointed out.

He told the conference that phosphate from Minjingu mine in Arusha would soon be feeding the Tanga fertilizer plant while the capacity of Ilima coal mine in Mbeya had been increased to 15,000 tonnes annually to serve the Mbeya cement factory.

In industry, Mwalimu said, success was achieved in constructing new factories but that production was seriously affected by the poor economic situation.

He said 43 new industrial projects had been commissioned on the Mainland since 1977 while 28 others were in advanced stage of building. Five factories had been built in Zanzibar and were now on trial runs, he said.

He added, however, that the average capacity utilization in the industrial sector was between 30 and 50 per cent. One factory used less than 10 per cent of its capacity last year, he said.

Mwalimu explained that the output of the industrial sector had fallen from 1,092 million/- in 1977 to 648 million/- last year. Its contribution to the Gross National Product (GNP) declined from 10.4 per cent five years ago to 5.8 per cent last year, he added.

He said measures to close down some of the factories were necessary to ensure adequate production of essential commodities. The government was preparing the list of the industries to be closed, he said, adding that the rest would operate nearer to their capacity.

The Party Chairman said small industries be encouraged because they produced basic needs using

mainly locally obtained raw materials.

Statistics also showed that productivity per worker was higher in small than big industrial units. Mwalimu said in 1976/77, for example, each worker in small scale units produced goods worth 16,110/- while that in big factory produced 14,172/- worth of goods.

He said there were 3,978 small industrial units in 1977/78, 1,483 of them in purely rural areas employing 52,284 workers with an annual output of 845.3 million/-. The number of units increased to 4,893 last year, he added.

CSO: 3400/184

JUMBE MEETS WITH MPLA CENTRAL COMMITTEE MEMBER, GDR DELEGATION

Dar es Salaam SUNDAY NEWS in English 24 Oct 82 p 3

[Article by Mike Sikawa]

[Excerpt]

THE Vice-President Ndugu Aboud Jumbe said yesterday that Tanzania would continue to support the people of Angola until the political and economic problems facing their country were eliminated.

The Vice-President reiterated the pledge at a meeting with a member of the Central Committee of the Popular Movement for the Liberation of Angola (MPLA) Ndugu Alfonso Van Dunem, held at Ndugu Jumbe's Laibon home in Dar es Salaam.

"The problems at Angola are the problems of Africa and Tanzania as well because no country in Africa can stand alone to solve its problems", Ndugu Jumbe said.

Ndugu Jumbe who is also Chairman of the Zanzibar Revolutionary Council, and CCM Vice-Chairman, condemned South Africa's continued aggression against independent Frontline states — Angola, Zimbabwe and Mozambique.

Ndugu Van Dunem is here leading his country's two-man delegation to the on-going Second Ordinary National Party Conference in Dar es Salaam.

The Vice-President said the political and economic problem facing the people of Angola were identical to those of Tanzania and that there was a need for the people of the two states to meet frequently to exchange ideas

and views.

"We are all sailing in the same boat, and it is our duty to make sure that it does not sink", he said.

He praised the people of Angola for their achievements despite the political and economic problems they were facing.

Earlier, Ndugu Van Dunem briefed Ndugu Jumbe on the developments in Angola, particularly after the war of liberation. He said MPLA had decided to call an extraordinary congress to discuss the problems now facing their country.

He paid tribute to Tanzania under Mwalimu Nyerere's leadership, particularly with the support Tanzania was giving to Angola.

The CCM Vice-Chairman, Ndugu Aboud Jumbe also held talks with the German Democratic Republic (GDR) delegation to the current Second Ordinary Party National Conference.

The GDR delegation, led by Ndugu Eberhard Heinrich of the Socialist Unity Party of GDR and included the GDR Ambassador to Tanzania, Ndugu Werner Schedlich. The delegation had paid a courtesy call on Ndugu Jumbe at his Laibon home in Dar es Salaam.

Ndugu Jumbe said CCM leadership was greatly satisfied with the participation to the conference. "It is a sign of our friendship", he said.

PRESIDENT NYERERE PAYS 'GLOWING TRIBUTE' TO PLO

Dar es Salaam DAILY NEWS in English 26 Oct 82 p 1

[Excerpt]

CCM Chairman Mwalimu Nyerere yesterday paid glowing tribute to the Palestine Liberation Organisation (PLO) for having heroically resisted invading Israeli troops in Beirut.

Speaking at the Diamond Jubilee Hall in Dar es Salaam after the PLO representative to the Second Ordinary Party National Conference, Ndugu Sami Musallam, had presented his Party's message to the Conference, Mwalimu reiterated Tanzania's continued support for the people of Palestine in the struggle to regain their motherland.

He explained that the Palestinian struggle was different from the struggle say in other parts of Africa because the Palestinians had been deprived of both their motherland and freedom.

Mwalimu noted, for example, that when the people of Mozambique fought against Portuguese colonialism, they waged their struggle for the liberation of their own country.

Similarly, the people of Namibia are struggling to remove the South African

racists from their country. Even Tanzanians struggled against colonialism from their own country, he explained.

The Palestinians had their country taken from them and very few were living in their motherland.

"An entire nation has been driven out, and has no land", Mwalimu told the attentive delegates.

He observed that despite being made refugees, the Palestinians had been subjected to countless brutalities by their enemies who have been pursuing them wherever they went, just as they invaded Lebanon last June.

Mwalimu saluted the PLO for having been able to send a representative to the Party National Conference despite the problems the people of Palestine were facing.

He said Tanzania would continue drawing the awareness of the international community to the nature of the Palestinian struggle.

Mwalimu asked the Conference delegates to rise and demonstrate to the people of Palestine that Tanzanians were behind their cause.

NATIONAL ASSEMBLY PASSES BILL AMENDING REPUBLIC CONSTITUTION

Dar es Salaam DAILY NEWS in English 16 Oct 82 p 1

[Excerpt] THE National Assembly yesterday unanimously passed the Bill seeking to amend the United Republic Constitution with regard to the appointment of district and regional government leaders.

Under the amendments tabled by the Prime Minister, Ndugu Cleopa Msuya, district and regional commissioners will no longer be Party secretaries as well.

Introducing the Bill, Ndugu Msuya said the move was based on the Party decision to separate the two positions at the district and regional levels, and with a view to facilitating smooth implementation of Party and Government decisions in the regions.

He explained that the change was only related to the appointment procedures and that the roles of the government and Party would remain intact.

During the debate, the Member of Parliament for Monduli, Ndugu Edward Sokoine, said the proposed change would clearly define the responsibility of Party and government leaders and ensure accountability of the latter.

Ndugu Sokoine pointed out that the country had clearly defined development policies but that the major shortcoming had been poor implementation caused by lack of clarity on the responsibility and accountability of the implementors.

The MP, who is a former Prime Minister, said under the new system Parliament should have more powers over

government officers and should help the Party in overseeing government functions.

He pointed out, however, that the vesting of Party and government powers in one person at the district and regional levels was necessary to safeguard Party supremacy in the past.

The MP urged the Government to revitalise the Civil Service with emphasis on discipline and efficiency.

Rashid Kawawa said the decision to separate Party and government powers in the regions had the major aim of emphasising Party supremacy.

He said the proposed constitutional changes would distinctly project the roles of Party and government institutions but that co-operation between them was vital for improved performance.

Ndugu Leons Ngalai (Rombo) said regional commissioners appointed after the changes should not preach the Party policy but that they should seriously concentrate on implementation of Party directives.

He said the appointments should be strictly on merit.

The MP for Rufiji, Ndugu Hemedi Mkali underscored the need to clearly define the roles of

the Party and government officials to avoid conflicts when the changes are effected.

Reverend Paule Misigalo (Tabora Urban) said the Government should thoroughly evaluate mistakes committed under the decentralisation of government machinery to ensure that these were not repeated in the new set-up.

Ndugu Tobli Mweri (Pangani) said the provision for regional commissioners to become ex-officio MPs should be reviewed.

He said under the amended Party Constitution, regional Party secretaries will be picked from members of the National Executive Committee (NEC). "Why then should the RC get a bye to the National Assembly?" he wondered.

Winding up the debate, Ndugu Msuya said regional commissioners appointed under the amended Republic Constitution would continue to be ex-officio Members of Parliament until relevant changes were made on the Constitution.

He told the House that the efficiency of regional leaders would largely depend on co-operation among the leaders and between them and the people. He emphasised that laudable achievements in development could not be attributed to individual leaders.

Ndugu Msuya said implementation of development activities had not always been smooth but he pointed out that apart from isolated cases of bad leadership, the problem lay in absence of objective tools for assessing performance.

He told the House that the Government would appoint regional leaders on the basis of individual skills and management capability but cautioned that this would not always mean academic qualifications.

Meanwhile, the House last night passed three other bills. They are a Bill to amend certain written laws tabled by Justice Minister Julie Manning, a Bill to establish a national geographical names standardization committee, presented by Lands, Housing and Urban Development Minister Mustafa Nyang'anyi and a Bill to establish the national institute of transport tabled by Deputy Minister for Communications and Transport, Ndugu Guntram Itatiro.

Members of Parliament will today elect a national MP to replace Ndugu Benjamin Mkapa, former Minister for Information and Culture, who was appointed Tanzanian High Commissioner to Canada.

The election will take place soon after Question Time.

MINISTER PRESENTS TPDC ANNUAL REPORT TO NATIONAL ASSEMBLY

Dar es Salaam DAILY NEWS in English 18 Oct 82 p 1

[Article by Mike Sikawa]

[Text]

VARIOUS national institutions have been praised for the support to the Tanzania Petroleum Development Corporation (TPDC) in its search for gas and oil in the country.

The commendation is contained in the TPDC annual report presented to the National Assembly in Dar es Salaam on Saturday by the Minister for Water and Energy, Ndugu Al Noor Kassum.

Ndugu Kassum, who is also Chairman of the corporation's Board of Directors listed the institutions as the Central Bank, the National Bank of Commerce, the Tanzania Navy, Tanzania Coastal Shipping Line and the Tanzania Harbours Authority.

Other institutions praised in the report for the year ending December 31, 1981, were the Customs Department, Notco, the Tanzania Electric Supply Company as well as Temeke District authorities.

Ndugu Kassum reported that last year, the cash flow of the corporation increased to 739 million/- from 497 million/- the previous year. "and the financial indicators showed a small improvement".

The minister noted however that the return on capital employed showed a significant fall, reflecting the heavy investments made during the year on exploration activities.

The corporation's healthy financial standing is also shown both by its tax payment (16 million/-) in respect to last year's profits and also by the fact that it was able to substantially reduce its dependence on government funding for its activities.

Ndugu Kassum also reported that the TPDC exploration activities reached time peak and during the year, it drilled two wells at Songosongo, thus proving the existence of large quantities of gas.

Preparations were also made during the year for the drilling of a wildcat well at Kimbiji in Temeke District which was spudded in December. Towards the end of the year, the corporation signed two new production sharing agreements, one with Shell and the other with the International Energy Development Corporation.

He explained that shortages of foreign exchange and foreign supply disruptions created problems for the corporation during the year in its importation and marketing activities.

The corporation, the minister added, spent 1.3 billion/- in foreign exchange in purchasing crude oil and refined products; while the oil marketing companies spent a further 0.7 billion/- on imports of deficit refined

products. Some exports were also made to neighbouring countries.

Due to unfavourable economic situation the corporation had to shelve plans for the construction of a bitumen plant. However some progress was made in its plans to construct a "lube" blending plant and negotiations were successfully concluded for the establishment of the Kilwa ammonia company for the manufacture of urea.

In his report, the TPDC General Manager, Ndugu Sylvester Barongo said because of the Iran-Iraq conflict, supply of petroleum to Tanzania dwindled seriously, making TPDC import the lowest crude oil on record — 467,329 metric tons, when compared to an average 650,000 tons.

During the year, Tanzania exported 46,524 metric tons of various petroleum products to the neighbouring Rwanda and Burundi, bringing in some 243.7 million/- compared to only 12,043 metric tons worth only 53.4m/- in 1980.

The internal consumption of fuel oil increased in 1981 leading to a decline in the exportable surplus of residual fuel oil. The increase in fuel oil consumption was mainly due to the initiation in industrial complexes, like the Musoma textiles mill, and expansion of Mwatex mill and cement plants.

Residual fuel oil exportable surplus in 1981 was 34,104 metric tons, worth 47.6 million/- compared to 92,740 metric tons, valued at 166.2 million/- in 1980.

CSO: 3400/184

CCM CONFERENCE ADOPTS FOREIGN POLICY ECONOMIC RESOLUTIONS

Dar es Salaam DAILY NEWS in English 28 Oct 82 pp 1, 3

[Text]

THE resolution adopted by the Second Ordinary Party National Conference in Dar es Salaam on Monday restates the country's foreign policy, emphasises that Socialism and Self-Reliance is the only way for Tanzania's development and prosperity and underlines the need for accountability at all levels.

The following is a *Daily News* translation of the full text of the resolution:

THE Second Ordinary National Party Conference which began at the Diamond Jubilee Hall in Dar es Salaam on October 20, and due to end on October 31, 1982 received and held detailed discussions on Party Chairman Mwalimu Julius Kambarage Nyerere's report to the Conference. The Conference congratulates the Party Chairman for his thorough analysis of the local and international situation.

The conference has also received greetings from various friendly parties which accepted our invitations to join us in this august assembly. The Conference was honoured to receive special greetings from Polisario relayed by the Party's Secretary-General and the President of the Sahrawi Arab Democratic Republic, Ndugu Mohammed Abdelaziz.

The Second Ordinary National Party Conference is being held at a time of a difficult and worrying global economic situation. World imperialism continues its campaign to fuel and condone injustice, oppression, invasions and expansionist designs perpetrated by fascist and racist regimes in South Africa, the Middle East, Latin America and other parts of the world.

Tied to that, the deterioration of capitalist economies has spelt grave repercussions for the world economy generally, but the developing countries are the most adversely affected. For imperialism manipulates this situation to both intensify exploitation and suppress progressive countries like Tanzania.

Given this situation, the Conference again stresses the need for developing countries, particularly those guided by principles of equality, freedom and community development, to forge stronger links in all sectors as a basis for countering imperialist machinations.

The Conference has thus been deeply inspired by the presence of 28 foreign friendly delegations from Africa, Asia, Latin America and Europe. We thank the foreign delegates for their views volunteered to the Conference, and hope the cooperation and solidarity between the parties and CCM will be consistently consolidated.

On the liberation struggle in Africa and the world at large, the conference concurs with Chairman Mwalimu Nyerere's analysis contained in his report to the Conference. The Conference therefore:

1. Strongly condemns the racist South African regime for its illegal occupation of Namibia and the delaying tactics against the territory's independence through the collusion between Pretoria and imperialist forces to link the independence question and the justified presence of Cuban troops in Angola. The conference takes this opportunity to assure the South West African People's Organisation (SWAPO) and the Namibian people that CCM and the people of Tanzania will relentlessly support their just struggle, morally and materially.

2. The Conference strongly condemns the South African racist regime for its provocative acts against, and invasions of Angola, Mozambique, Zimbabwe, Zambia and other Frontline States. The Conference congratulates the states for their courageous stand to stem the provocations and assures them of Tanzania's unflinching moral and material support in contending with the enemy.

3. The Conference supports the liberation struggle in southern Africa being waged by the African National Congress (ANC) and the Pan Africanist Congress of Azania (PAC) against the racist regime of South Africa.

4. The Conference supports the liberation struggle waged by the people of Western Sahara under the leadership of their Party, Polisario. The Conference supports the steps taken by some African states to recognise the Sahzawi Arab Democratic Republic.

5. The Conference urges all members of the Organisation for African Unity (OAU) not to be swayed by our enemies and to ensure that every effort is made to strengthen African Unity which is the only effective weapon against divisive plots.

6. The Conference strongly condemns Israel's invasion of Lebanon and the massacre of Palestinians and Lebanese.

7. The Conference calls on the Israel Government to stop its invasion and withdraw unconditionally from Lebanon.

8. The Conference supports the right of Palestinians, under the leadership of the Palestine Liberation Organisation (PLO), to a free nation.

9. The Conference further calls on the international community to find a lasting solution to the Middle East conflict.

10. The Conference stresses that global peace and security will depend mainly on the absence of potential areas of conflict and unnecessary recourse to force. This entails permanent resolution of policy of Ujamaa and self-reliance was the cause of our economic problems. For if this were the case, then developing countries pursuing capitalist economic policies would not have been facing similar economic problems. However, we are all aware of the causes of the present economic problems.

Therefore the Conference calls on Party and Government leaders as well as CCM members to thoroughly educate themselves on the causes of our present economic plight as correctly explained by

the Party Chairman, Mwalimu Julius Kambarage Nyerere, lest we are swayed by our enemies.

The Conference points out that our ability to solve problems which are beyond our control is limited, but emphasises that those either induced by our mistakes or within our means to solve must be overcome through a combination of dedication and hard work. The Conference therefore directs the Party, Government and its institutions to take immediate steps to solve the problems within the framework of socialism and self-reliance.

The Conference has also discussed in detail the Party Chairman's report on the various steps the Party and Government are taking to revive our economy, including the National Economic Survival Programmes. Since the 1971 Party Guidelines notes that "the basis of Tanzania's Development and Tanzanians themselves particularly every patriot and every socialist", the Conference therefore stresses that the solution of our economic problems would lie mainly in hard work. While we may need foreign aid now and then, that would only serve as a catalyst to our own efforts and not the basis of our development. The Conference directs that:

1. Self-reliance should be implemented fully, for that is the most reliable path not only of our development but also one that ensures the security of our freedom. Therefore the ability of our Party and Government leaders would from now onwards be measured through their efforts to mobilise the people in the villages, districts, regions and other areas, in self-reliance activities.

2. If agriculture is to play its historical role in the country by providing food for the people in the country, raw materials for our industries, foreign exchange from sales of cash crops and provide employment for our people, then every effort must be made to give it (agriculture) its due weight in the national development programme.

3. Present investment in agricultural development is very low relative to the importance of the sector in national development. For example, the third five year development plan (1976/1977-1980/81) was allocated 12.8 per cent only with real expenditure constituting 7.3 per cent the fourth five year development (1981/82-1985/86) has been allocated 21 per cent for the agricultural sector. Although the sector this time appears to have been favoured, the amount

allocated is however, inadequate. Therefore, our fourth five year development plan must be reviewed to give the agricultural sector the importance it deserves.

4. Every village will have to implement the National Executive Committee's (NEC) directive that every village must have a communal farm of a minimum of 100 hectares, for evidence shows that villages with big communal register major successes in agricultural development. Districts and regions must ensure that the "preparation Programme" on agriculture issued by NEC in September 1981 is fully implemented.

5. Timely delivery of agricultural inputs, prompt purchasing of food and cash crops from the peasants coupled with timely payment of their dues are fundamental in boosting morale. The government must therefore take immediate steps to rectify the present weaknesses in those areas. The government should coordinate and supervise agriculture-related institutions. These should be streamlined to assist peasants effectively.

6. In implementing laws related to the new set up of cooperative societies, the thrust of the government should be on consolidating ujamaa and improving services for peasants.

7. From now onwards, emphasis should be placed on irrigation which is a more certain way of realising agricultural successes as it is not antagonised by hostile weather. In the light of the present economic problems, the relevant ministries, districts and regions should lay emphasis on irrigation farming. People should be encouraged to embark on small scale irrigation schemes which do not need high technology. For a start, efforts could be made to encourage the people to use traditional methods of irrigation farming.

8. Development plans should be carefully mapped and scrupulously implemented. In addition a scheme should be devised under which those discharging their duties properly would be distinguished from the defiants who should be booked.

9. Time has come for the implementation of the Party policy compelling every able-bodied person to engage in productive work. All ministries and regions should prepare, by June 1983, programmes to ensure that everyone in the villages and urban centres fitting that description was productive. Offices, industries,

parastatal organisations employers and the Union of Tanzania Workers (JUWATA) should work out a system to ensure that working procedures and regulations are implemented.

10. The government should emphasise to our industries the need to utilize as much as possible local raw materials. Apart from encouraging the manufacturing of spare parts locally and thereby conserving foreign exchange, local technicians should be encouraged to become innovative. Local industries should strive to both meet local demand and export their products.

11. Since parastatal organisations will for a long time to come continue to play a vital role in the country's economy, the government must take steps to strengthen them, and solve whatever problems they faced.

SECTION FOUR STRENGTHENING IMPLEMENTATION

The National Party Conference has observed that implementation of various projects in the country in the past has been very poor and therefore directs the National Executive Committee (NEC) to take necessary measures to implement the following:

1. Implementation of the 1981 Party Guidelines. Party Chairman Mwalimu Nyerere's report to the Second Ordinary National Party Conference and all important Party directives issued in the past. Special programmes should be worked out to ensure effective implementation.

2. Steps should be taken to ensure that the Party leadership from the village level upwards is strengthened through Party-administered courses as directed by the 1981 Party Guidelines. Secondly to ensure that collective leadership and Party leadership from village to national level is strengthened.

3. Deliberate efforts must be made to ensure that good plans, discipline and specific targets influence the implementation of mass programmes.

4. The question of accountability must be given its due weight. The National Executive Committee should ensure that the government and its institutions are accountable for the im-

plementation of Party policies. The National Party Conference points out that one of the attributes of Party supremacy was that the Party would carefully monitor its activities and the actions and behaviour of leaders as well as its members on how they discharge their duties. This exercise is extended to the government and its institutions, taking great exception against agencies and officials who do not discharge their obligations or are somewhat indifferent to Party policies.

The Conference directs the union Government and the Zanzibar Revolutionary Government to enact laws to help inspire success of the Party directive that everyone must work hard.

The Conference notes further that a weak Party induces a weak Government. Therefore the Conference directs the National Executive Committee to stop the present habit of exercising leniency towards irresponsible leaders who through negligence and lack of commitment failed to implement Party and Government directives on various development projects.

Secondly, NEC should ensure that negligent leaders, saboteurs and those bent on frustrating the country's policy of socialism and self-reliance are not defended but are severely booked instead. The Conference believes that the present Party set up, especially with regard to the 1982 Party Constitution gives the Party the requisite power to implement those resolutions.

The Conference reminds Tanzanians that the country is presently undergoing a very difficult economic phase which has been brought about by the 1978/79 war against Dictator Idi Amin, and this compels them to work hard to revive the country's economy. We have the ability, the reasons and the will to overcome the problems. Every Tanzanian should discharge his or her obligations.

The Party Conference congratulates the Party Chairman, Mwalimu Nyerere and Vice-Chairman, Ndugu Aboud Jumebe, for guiding Tanzanians intelligently during the last phase. Finally the Conference congratulates CCM members for remaining steadfast during our last difficult economic phase and for their national contribution.

MINISTER WANTS BROADENED INSURANCE COVERAGE BASE

Dar es Salaam DAILY NEWS in English 29 Oct 82 p 1

[Text]

THE insurance system in Tanzania should consider peasants and workers who cannot afford the minimum requirements of the insurance policies currently in operation, the Minister of State for Planning and Economic Affairs, Professor Kighoma Malima, has said in Dar es salaam.

Opening a seminar on "Insurance and inflation" at the Institute of Finance Management (IFM), on Wednesday, Ndugu Malima said that while the majority of the peasants and workers could have little or no property to insure, they had life for which they would like some assurance.

"Thus, the Insurance system in our country has to consider this group in their present as well as future

programmes of activities," the minister said.

The minister also recalled that proposals had been made to introduce crop Insurance schemes to cover "the most vulnerable groups in our society" against vicissitudes which were not of their own making.

"I do hope that we can begin examining this issue seriously and quickly, in order to broaden the base of insurance coverage in our country whose socio-political objective is socialism, equality and justice", Ndugu Malima said.

He emphasised that social security for the rural population was a crucial prerequisite for the transformation and socialisation of agriculture in Tanzania.

CSO: 3400/184

DIESEL FUEL SHORTAGE AFFECTS CROP TRANSPORT

Dar es Salaam DAILY NEWS in English 25 Oct 82 p 3

[Text]

AN acute shortage of diesel has affected transportation of crops from villages in Rukwa and Ruvuma regions.

The National Milling Corporation (NMC) General Manager in Rukwa, Ndugu G. Kabengwe, told *Shihata* over the weekend that there were more than 7,000 tonnes of food crops already purchased by the NMC, but had not been transported to the godowns due to lack of diesel.

Ndugu Kabengwe said out of the total, 4,000 tonnes were in villages which had very bad roads, and feared that if they were not collected now it would be difficult to do so when the rains come next month.

He said 27,000 litres of diesel were needed to ensure the 4,000 tonnes were collected within two to three weeks' time.

"The NMC has a target of purchasing 25,000 tonnes of food crops this season, and so far 16,000 tonnes have already been purchased," he said.

The Songea District Development Director, Ndugu T. Kamwela, explained that in Ruvuma Region the shortage of diesel threatened NMC activities in crop collection, especially now that rains have started.

He said the Regional Development Director, Ndugu L. Rimisho, was presently in Dar es Salaam looking for diesel.

Ndugu Kamwela said the region also faced the problem of tyres, tubes and vehicles. He said most roads in the region were impassable, something which made private vehicle owners refuse to hire them.

CSO: 3400/184

HOUSING OFFICIAL SAYS DAR ES SALAAM 'BADLY PLANNED'

Dar es Salaam DAILY NEWS in English 16 Oct 82 p 3

[Article by Brown Lenga]

[Excerpt]

DARESSALAAM is one of the badly planned cities in the world and its growth has outpaced planners, an official of the Ministry of Lands, Housing and Urban Development, has told a seminar in Dar es Salaam.

Ndugu I. S. Sareva, a representative of the Ministry at the on-going five-day seminar on protection and conservation of historical buildings observed that because of bad planning from its initial days in the early 18th century, post independence efforts to correct the situation had failed to bring about modification to match with the expanding population.

The city's complex problems were being compounded by both private and public institutions' desire to build and concentrate houses within the city centre.

Because of this, there was always strong pressure from individuals, parastatal and private institutions on the City Council to allocate plots within the city, resulting into the pulling down of some of the historical

buildings in favour of new houses, Ndugu Sareva observed.

"Important buildings of historical interest to the public have been pulled down to make room for new high rise hotels and block of offices because most companies including state-owned corporations do not want to erect such structures outside the city centre," another delegate to the seminar, Dr. J. F. Mbwiliza from the History Department of the University of Dar es Salaam observed.

Dr. Mbwiliza thought that there was no need, for example, to build a tourist hotel near the Old Boma along the Kivukoni Front.

Because of concentration of most essential services within the city centre, a variety of problems had saddled the City Council. They included transport problems as most city dwellers had to go to the same place for shopping, entertainment and official business, a participant from the Ministry of Information and Culture added.

CSO: 3400/184

FIRST STATE-OWNED SUPERMARKET TO OPEN NEXT MONTH

Dar es Salaam DAILY NEWS in English 16 Oct 82 p 3

[Article by Charles Kizigha]

[Excerpt]

THE first state-owned supermarket will be opened in Dar es Salaam at the beginning of next month, the Director General of the Board of Internal Trade (BIT). Ndugu M. A. Urio, said in Dar es Salaam yesterday.

He said the supermarket would be housed in the former Temeke Community Centre in Temeke district which has so far been renovated. The second and third supermarkets would be opened in Dar es Salaam and Dodoma early next year.

Ndugu Urio, however, stated that the opening of the two other supermarkets would depend on the performance of the first.

He said that the supermarkets would operate under the umbrella of Biashara Consumer Services Company Limited established last year by BIT with seven million shillings capital.

Ndugu Urio said manpower to man the supermarket has already been identified and there was accumulated stocks of day to day household requirements, textiles and hardware materials.

He said the supermarkets will later be turned into departmental stores which would spread from the city to the regions.

Ndugu Urio pointed that shareholders of Biashara Consumer Services Company Limited include National Trading Companies (NTCs) such as the Agricultural Industrial Supplies Company (AISCO), General Food Company (GEFCO), Domestic Appliance and Bicycle Company (DABCO), Building Hardware Electrical Supplies Company (BHESCO) and the National Pharmaceutical Company (NAPCO).

CSO: 3400/184

NYERERE SAYS AGRICULTURE CENTRAL TO ECONOMIC PLANNING

Dar es Salaam DAILY NEWS in English 21 Oct 82 p 1

[Article by Mkumbwa Ally]

[Text]

CCM Chairman Mwalimu Nyerere has said agriculture must be central in economic planning and that use of fertilizers and provision of better implements are major prerequisites for improved production in the sector.

Mwalimu told the Second Ordinary National Party Conference in Dar es Salaam yesterday that production of major cash crops had declined drastically in the past five years because the agricultural sector was neglected.

He said although the sector accounted for the economic progress made, little was done to develop it. The other sectors continued to plunder agricultural produce, contributing nothing or marginally to service agriculture, he said.

He said the 1967 Arusha Declaration and the subsequent Party policy booklet — Politics is Agriculture — underscored the importance of agriculture to the national economy but that the guidelines remained on paper while lip service was paid to their implementation.

He told the Conference that except for coffee and tea, the production of all major cash crops had gone down. The downward trend for cotton, sisal, cashewnut and pyrethrum production was a continuation of a decline which started in the 1960s, he said.

He said cotton lint purchases declined from 87,100 tonnes in 1976/77 to 45,000 tonnes last year while sisal production decreased from 133,000 tonnes to 73,000 tonnes, respectively.

Cashew production had fallen by 55,300 tonnes over the five years, he said.

"These figures cannot be attributed solely to drought and, although special explanations can be given for the decline of each crop, some more general explanation has to be sought...." Mwalimu pointed out.

He said despite the big fall in agricultural production which accounted for more than 80 per cent of the export revenue, little effort had been made to revamp the sector.

"One would expect that agriculture and the needs of the agricultural producers would be the beginning and central reference point for all our economic planning... (But) instead we have treated agriculture as if it was something peripheral... or on a par with all the others (sectors)...." he pointed out.

On farm implements, Mwalimu said concrete action must be taken to provide peasants with animal-drawn ploughs, pointing out that the poor economic situation did not allow the use of tractors.

He said there were 10,000 tractors in the country of which only 3,000 were serviceable. Even if all of them were operating and had to be distributed evenly, each village would get one tractor, he explained.

The Party Chairman said agriculture continued to be based on the hoe and that no effort was taken to change the situation except for debates on whether the hoe was the best tool at the moment or should be replaced by the tractor.

"We give greater priority to luxury cars than to getting tractors and we pay no attention to the provision of agricultural implements which are intermediate between the hoe and the tractor," he said.

He cautioned that if the trend continued even a shortage of hoes could develop because new ones were not available at the moment.

Mwalimu said ploughs and associated implements should be available at a district centre where villagers can easily reach. "Maintenance is not a problem because the village carpenter and blacksmith can easily keep them working," he said.

He said to solve the country's agricultural problems, the relevant authorities must listen to the people and discuss with them instead of preaching to them. The recovery would be gradual but it needed action and not words, he pointed out.

"It involves moving — in action, not in words — from the hoe to the oxen-plough and the harrow and the seedler, and from the head to the oxen-cart," he said.

He encouraged small-scale irrigation schemes which would utilise lakes and rivers abundant in the country. Large scale schemes were expensive and required trained engineering management, he pointed out.

Mwalimu recommended concerted soil conservation measures throughout the country and introduction of tie-ridging farming methods in hilly areas to check desertification which threatened many parts of the country.

He discouraged wanton felling of trees and called for intensive tree planting campaigns, especially in Mwanza, Shinyanga, Mara, Arusha, Singida and Dodoma regions which, he added, were most threatened.

CSO: 3400/184

BANK GOVERNOR WARNS HIGHER PRODUCER PRICES MAY NOT RAISE FARM OUTPUT

Dar es Salaam SUNDAY NEWS in English 17 Oct 82 p 3

[Excerpt]

TANZANIANS have been warned against the simplistic notion advanced by some quarters that the stagnation of its agriculture, especially in export crops is due to inadequate incentives to its farmers.

Instead they are being asked to carefully assess whether higher producer prices have really helped maximise agricultural output.

The warning was sounded by the Governor of the Bank of Tanzania, Ndugu Charles Nyirabu, when opening a meeting of the Standing Advisory Council on Rural Finance in Arusha on Thursday.

He observed that for the last five years, the government policy thrust had been to raise producer prices, with the current prices to the sector being higher in real terms than they were in 1976.

He observed that according to the exponents of the theory, such a step would encourage farmers to increase production especially of export crops and ensure an accelerated growth in foreign exchange earnings, vital for economic recovery.

However, experience had shown that increased prices have

not induced farmers to produce more by switching from traditional to modern agriculture.

Instead they have created immense problems for the crop authorities, whose revenues ~~from sale of produce~~ have not matched operating costs including those created by the higher prices to farmers.

With the resulting losses, the authorities have resorted to borrowing from the National Bank of Commerce to cover their deficits, running up a debt of over 3 billion/-, he said.

He cautioned that the question of higher producer prices cannot be separated from that of prices to the consumer, where some crops are locally consumed.

He said to fix producer prices above economic levels, can only lead to increased government subsidy or to devaluation — both were not real solutions to the problem, he argued.

While increased prices could trigger farmer enthusiasm, of greater importance was increased productivity in agriculture which can only occur when farmers *en masse* adopt modern farming techniques.

CSO: 3400/184

INDIAN, PRC FARM IMPLEMENTS EXPECTED TO ARRIVE EARLY DECEMBER

Dar es Salaam DAILY NEWS in English 20 Oct 82 p 3

[Article by Betty Marealle]

[Excerpt]

FARM implements worth about 81 million/- imported from India and China to supplement production shortfalls at the Ubungo Farm Implements (UFI) factory are expected to arrive early December.

A spokesman of the Ministry of Industries told *SAHARA* in Dar es Salaam yesterday that arrangements for importation of more implements and raw materials worth 29million/- will be completed at the end of the month.

He said 868,869 hand hoes, 668,000 pangas, 17,000 ox-ploughs, 25,000 plough shares are among the farm implements shipped from India and China.

The spokesman said 10,000 hoes, which were piled-up at the Mbeya Farm Implements due to lack of hardening material (quenching oil), will soon be transported to UFI for distribution.

The Mbeya plant has obtained five drums of quenching oil adequate to complete the hardening process.

The spokesman said hand hoe demand in the country for this agricultural season is 3.1 million, while UFI had by September this year distributed only 600,000 hoes. By December, the figure is expected to rise to 1.5 million and by June 1983 three million hoes would be distributed.

Ox-plough demand stands at 45,000. By December 35,090 would be distributed, while plough share requirement is at 200,000.

SAP IMPLEMENTATION TAKES OFF 'TO GOOD START'

Dar es Salaam DAILY NEWS in English 18 Oct 82 p 1

[Article by Rose Kalemera]

[Excerpt]

IMPLEMENTATION of the Structural Adjustment Programme (SAP) has taken off to a good start and a number of ministries have submitted progress reports on their specific areas of implementation to the programme's secretariat.

The Director in charge of the SAP in the Ministry of Planning and Economic Affairs, Ndugu Peter Ngumbulu, has said in an interview in Dar es Salaam that all ministries — having September as their deadline to submit their reports — had forwarded them to the SAP secretariat.

The reports, from the Ministries of Industries, Agriculture, Planning and Economic Affairs, Finance, and Communications and Transport, were currently being analysed by the secretariat, he said.

The secretariat would later discuss the reports with the respective institutions and recommend appropriate follow-up action, Ndugu Ngumbulu explained.

Action already taken or being taken to implement the SAP included a preliminary exercise undertaken by the Planning and Economic Affairs Ministry to identify possible areas for further cut in the development budget, he said.

According to a provisional progress report on the implementation of the SAP for September this year, the following areas are included. These are:-

- Preliminary proposals on export promotion are being worked out for discussion with the respective institutions;

- Guidelines are being completed on the information system on the allocation of goods to the public. These would then be issued to distributing agencies;

- The Ministry of Agriculture has studied the various reports on crop authorities and has made recommendations in line with the whole rationalisation exercise before drawing up implementation plans;

- A report on tightening expenditure to reduce Tanzania Rural Development Bank (TRDB) losses and other improvement measures has been submitted to the Ministry of Finance for study;

- A report by a special Parliamentary Committee appointed to look into training in accountancy has been completed.

Its recommendations are being studied by the Ministry of Finance for implementation at the soonest; and

- Parastatals have been required to maintain their overhead costs within the 1981/82 levels and report to the Treasury on weekly basis.

- The agricultural sector exported crops worth 2,988.54 million/- last year, which is about 57 per cent to the National Economic Survival Programme (NESP), the Minister of State for Planning and Economic Affairs, Prof. Kighoma Malima, said in Parliament on Saturday.

He said the sector also earned the country 1,557.94 million/- between January and August this year, which is 63.9 per cent of the entire national exports.

TANZANIAN, JAPANESE ROAD FUND RAISING TALKS AT 'HIGH STAGE'

Dar es Salaam DAILY NEWS in English 19 Oct 82 p 3

[Article by Lucas Lukumbo]

[Excerpt]

NEGOTIATIONS between Tanzania and Japan aimed at raising funds for the Kibiti-Lindi road have reached a "high stage", according to the Minister for Works, Ndugu Samuel Sitta.

"If everything goes as planned, we should be well on our feet within the next two-and-half months", the Minister said in an interview with *Shihata* in Dar es Salaam at the weekend.

The negotiations are centred on technical and spare parts back-up, Ndugu Sitta said.

The Minister stressed that the road will be built in stages, the most important of which he said was the requisite technical assistance to get the project on foot.

"There is no way we can construct this project wholesale", Ndugu Sitta said.

"The road goes through the most difficult terrain in the country", he added.

The second stage, he said, was the construction of the Nangurukuru-Kilwa Masoko stretch. With a bridge over Matandu River which, according to the Minister, is the most difficult but crucial juncture of the whole project.

Matandu River, which lies 20 kilometres from Nangurukuru, has a flood plain of five kilometres on either side.

Construction of the 330-kilometre road was scheduled to start in July this year, but due to the economic strains facing the country, has had to be delayed.

The Minister, however, said the Government was working hard to get funds for the project to take off before the end of the year.

CSO: 3400/184

THA TO ACQUIRE NEW SPM NEXT FEBRUARY TO REPLACE PREVIOUS ONE

Dar es Salaam DAILY NEWS in English 19 Oct 82 p 1

[Article by Emma Faraji]

[Excerpt]

THE Tanzania Harbours Authority (THA) is to acquire a new Single Point Mooring (SPM) system next February to replace the nine-year old Single Buoy Mooring (SBM) used in transporting crude oil from tankers.

According to the THA Executive Chairman, Ndugu Peter Macha, the SPM's components will begin arriving this December after which installation work would start immediately. The system is expected to be commissioned next February.

The new Buoy is a Catenary Anchor Leg Mooring (CALM) system which will facilitate the mooring and transferring of crude oil from very large tankers.

Ndugu Macha said that the new SPM system, provided by the American Marine Terminals Company, IMODCO, is to be purchased at 40.5 million/- (4.5 million dollars).

"The system is to replace the old buoy which is now aged and is to be taken for overhauling when the SRM arrives", Ndugu Macha explained.

The old SBM will be overhauled and would serve as a spare system for the new SPM.

The new SPM to be stationed offshore, is expected to moor vessels of up to 100,000 dead weight tons in 24 metres of water. It measures 12.5 metres in diameter and about four metres deep.

CSO: 3400/184

CAMPAIGN TO PUBLICIZE LOCALLY AVAILABLE SPARE PARTS

Dar es Salaam DAILY NEWS in English 22 Oct 82 p 3

[Article by Halima Shariff]

[Excerpt]

A CAMPAIGN to enlighten industries, companies and individuals on the types of light engineering spare parts locally available is being conducted by the National Engineering Company (NECO) and the Coast Textiles (Cotex) Metals and Machinery Limited.

The campaign aims at diverting the attention of various institutions from importing spares which are available in the country.

NECO General Manager K. Peinemann said in Dar es Salaam that the company is trying to convince customers who include textiles industries, cement factories, transport, steel and soap firms to prepare their requirements of spares for at least a year in advance.

The system would enable NECO to have time to work on them instead of waiting until the need arises and then rush for them, he explained.

Items which could be produced by NECO include gears, ploughs and wheels. Repairs of motorblocks and driving shafts for pumps can also be undertaken.

NECO, which was established in 1979, also has machines for shaping, turning, milling, boring grinding and welding. The company also undertakes special welding for cast iron, casting ferro and non-ferro and heat

treatments.

Ndugu Peinemann said that last year NECO generated 4million/-, half of which was profit.

The machine and grinding shop which solely deals with repairs and replacements of spare parts, made a turnover of 2.9 million/- last year. Until last July, the turnover stood at 1.8million/-.

The General Manager said that plans were underway to establish an emergency unit that would mainly deal with making and replacing spares for customers at short notices.

The Cotex Metals and Machinery Limited of Dar es Salaam has approached various industries to explain facilities available at the Cotex unit along Bagamoyo road in the outskirts of the city.

The Cotex Acting Managing Director, Ndugu E. Y. Ramathal, said that his firm was trying to inform the public and convince them to make use of the available resources, rather than waiting for imported spares.

He said that the metals and Machinery unit provide technical services, such as repairs of spares and machines, electroplating complete range of fabrication, welding, metal joining and development of process improving machinisations.

The unit also has stocks of raw materials required for several engineering spares. Ndugu Ramathal said.

NATIONAL PRICE COMMISSION INCREASES BABY FOOD, BATTERY PRICES

Dar es Salaam DAILY NEWS in English 23 Oct 82

[Text]

THE National Price Commission has raised prices of baby-foods and dry cells effective last Wednesday.

A statement issued by the Commission in Dar es Salaam yesterday said the new prices stemmed from an increase in the suppliers' price and customs' duty in the case of babyfoods, and the rise in raw material prices and processing costs in the case of cells.

The statement said the suppliers' prices of *totolac*, *Lactogen*, and *cerelac* had gone up by 15 per cent, 13 per cent, and 21 per cent respectively, while the customs' duty had risen from 15 per cent to 20 per cent.

In the case of cells, the price of raw materials had gone up by 47 per cent and the processing costs by 15 per cent, the statement said, adding that last March's devaluation of the national shilling had also affected the prices.

New prices for baby food (old prices in brackets) are: A tin of *Lactogen* — 22/15 (17/75); a tin of *totolac* — 25/- (21/60); a tin of *SMA* 33/65 (24/50); a tin of *S-26* — 36/25 (28/25) and a tin of active dried *cerelac* — 18/15 (14/90).

The statement said, DCL yeast prices had either fallen or remained the same because import costs had gone down. As a result, the retail price DCL yeast (spray instant) is now 40/20 instead of the previous 43/20, and that of DCL yeast remain at 24/-.

Prices of cells are: normal size — 4/30 instead of 3/-; medium-sized — 3/- instead of 2/45; and the pen-light type — 2/60 instead of 2/45.

Maximum pan territorial wholesale prices of cells, medium-sized and pen-light cells are 1,109/-; 1,073/80 and 2,809/- respectively, and maximum sub-wholesale prices are 1,173/60; 1,136/80 and 2,958/80 respectively.

CSO: 3400/184

BRIEFS

SIDO TO MANUFACTURE PLOWS--THE Small Industries Development Organisation (SIDO) will manufacture ox-ploughs by using locally available materials. SIDO Director-General E. B. Toroka has said in Dar es Salaam that the ploughs to use wooden material, would first be produced at a small scale and be distributed to Iringa, Mbeya and Rukwa regions, before starting big scale production. This type of plough has been invented by a SIDO technical advisor, Mr Tord Liljevik. Its middle part, the rod, is wooden instead of steel, therefore saving 75/- in foreign exchange per plough. The other parts of the plough are made of steel and cast iron. Elaborating, Mr Liljevik said the plough, weighing 28 kilogrammes, was cheaper, firm and easier to be pulled by oxen. Tests at the Uyole Agricultural Centre in Mbeya Region have proved that the wooden ox-ploughs were durable, cheap to produce and very light to handle. SIDO has been organising collection of scrap metal from UFI, garages and leaf springs for distribution to the blacksmiths who will be taught how to manufacture the "wooden" ploughs. [Text] [Dar es Salaam DAILY NEWS in English 25 Oct 82 p 3]

HOUSING BANK OFFICIALS NAMED --PRESIDENT Nyerere has appointed Ndugu E. J. Mashasi, the new Chairman of the Board of Directors for the Tanzania Housing Bank (THB). According to a statement issued by the Ministry of Finance in Dar es Salaam yesterday, Ndugu Mashasi who is also deputy secretary of the Tanzania Workers Organisation (JUWATA) replaces the Deputy Minister for Finance, Ndugu Venance Ngula. Meanwhile, the Minister for Finance, Ndugu Amir Jamal, has appointed new members to the THB Board following the expiry of the term of office of the previous board. The new members whose three-year term of office began on September 1 this year are: Ndugu Kate S. M. Kamba, MP for Masasi, Dr. M. A. O. Kipuyo, National MP for Arusha, Ndugu H. B. Mkali, MP for Rufiji, Ndugu T. L. Ndunguru, MP for Mbinga and Ndugu J. E. Byeitima, MP for Karagwe. Others on the board are Ndugu O. Kapinga, an official at the Chama Cha Mapinduzi head office, Ndugu F. K. Temu, Secretary General of the Union of Cooperative Societies (WASHIRIKA) Ndugu J. D. Minja, Principal Secretary in the Ministry of Lands, Housing and Urban Development, Ndugu O. Max, Deputy Principal Secretary in the Office of the Prime Minister, Professor Mascarrenhas, of BRALUP, University of Dar es Salaam, Ndugu G. Mlingwa, Secretary of the National Construction Council and Ndugu W. J. M. Mdundo, Acting Assistant Treasury Registrar, Ministry of Finance. [Text] [Dar es Salaam DAILY NEWS in English 26 Oct 82 p 3]

GENERAL TYRE STAFF ON UNPAID LEAVE--THE management of the Arusha-based General Tyre (EA) Limited has ordered its staff in its ten branches in the country to go on compulsory unpaid leave following the temporary closure of its plant in Arusha due to lack of raw materials. Sources close to the company told Shihata in Dodoma yesterday that all the staff in the branches have been notified of the decision. The compulsory leave is effective from November 1, this year. General Tyre is one of several factories in the country which have been forced to close due to lack of raw materials. It was reported about two weeks ago that production of tyres at the plant would be stopped effective last weekend due to shortage of raw materials. An official of the company was quoted as saying the factory would be closed until January next year, but said tyre retreading would continue for about a month. This is the second time the factory closes down in about a year. On November 7 last year, the plant had to suspend production due to the same reason. General Tyre has had to import tyres from Mozambique to supplement the local demand. [Text] [Dar es Salaam DAILY NEWS in English 27 Oct 82 p 3]

ARUSHA MEAT PRICE INCREASE--THE prices of meat in Arusha Municipality has been raised with effect from October 1, this year. According to a statement issued by the Arusha Municipal Council Director, Ndugu D.J. Sebarua, the changes had been prompted by complaints from meat sellers that they bought cattle at high prices while that of meat remained low. The last review of meat prices in the municipality was in February last year. Meat will now sell at 30/- for a kilogramme of steak, fillet and liver, while beef with bones will sell at 25/- a kilogramme. The old prices were 22/- for steak fillet and liver, and 20/- for beef and liver, while beef with bones will sell at 25/- a kilogramme. The old prices were 22/- for steak fillet and liver, and 20 for beef and bones. a kilogramme of pork steak will sell at 30/- instead of 20/- while beef with bones will be sold at 25/- instead of 20/-. [Excerpt] [Dar es Salaam DAILY NEWS in English 27 Oct 82 p 3]

BAKWATA-MUSLIM COMMUNITY DISPUTE--A six-man team from the Muslim Council of Tanzania (BAKWATA) leaves Dar es Salaam today for Iringa region to settle a religions dispute between BAKWATA regional leaders and Muslim community. A statement issued by BAKWATA said in Dar es Salaam yesterday that the team led by Ndugu Mohamed Mussa would meet the leaders and see how they could solve the dispute. The team would also meet the Muslim community. The statement said that there have been complaints from the community on BAKWATA leadership, however, it did not give further details. [Text] [Dar es Salaam DAILY NEWS in English 27 Oct 82 p 3]

IRINGA REGION SELF-SUFFICIENCY--CONCERTED efforts in implementing the Politics is Agriculture (Siasa ni Kilimo) campaign have enabled Iringa Region not only to become self-sufficient in food, but also to produce a surplus, the Second Ordinary Party National Conference was told in Dar es Salaam yesterday. Discussing the address delivered by CCM Chairman Mwalimu Nyerere at the opening of the Conference at the Diamond Jubilee Hall on Wednesday a delegate from Iringa said the achievement was a result of frequent seminars and ad hoc campaigns aimed at mobilising the peasants for increased agricultural production. He said the region could now boast of a surplus in maize (the main food crop in the region), beans, potatoes, vegetables and livestock. "There is great

room for improvement", the delegate told the Conference. He said the average maize production in the region was now between 20 to 30 bags per hectare. [Text] [Dar es Salaam DAILY NEWS in English 22 Oct 82 p 1]

MWATEX CLOSURE--THE Mwanza Textile Mills (Mwatex) has been closed down indefinitely and its 3,905 workers have been sent on an unpaid leave, it was announced in Dar es Salaam yesterday. The Executive Chairman of the National Textiles Corporation (TEXCO) Ndugu J. V. Lwabuti, told a press conference that the decision to close down the mills was prompted by lack of electricity. Ndugu Lwabuti said for instance that only four million metres of cloth were produced in the past nine months against a production target of 21 million metres due to disruption of power supply at the mills. "Because of unreliable supply of electricity, we have been forced to close down the mills to avoid further losses," he said. Production at Mwatex, the largest textile complex in East and Central Africa, has been affected since early this year. Last month, Ndugu Lwabuti said, the mills cut down working shifts from three to two, but still power was insufficient to operate the two shifts. Ndugu Lwabuti said the mills would not resume production until there was enough supply of electricity. Mwatex needs some 3.5 megawatts out of the town's daily demand of 8.5 megawatts. He said the Tanzania Electric Supply Company (TANESCO) was aware of the power problem and TEXCO's step to close down the mills. He gave no further details. TANESCO officials were not available for comment yesterday. [Text] [Dar es Salaam DAILY NEWS in English 16 Oct 82 p 3]

EEC ROAD CONSTRUCTION AID--WORK on the 47 kilometre access road to the Mufindi Pulp and Paper Mill in Iringa, is expected to resume soon, following the endorsement of the works contract by the Commission of European Communities, co-financers in the project. According to a statement issued in Dar es Salaam yesterday by the EEC delegate Mr. B. Haffner, the European Communities are financing the foreign component of the 211.76m/- contract for the Idetero-mill site section of the road. The Tanzanian government will finance the local component of the 40.5 kilometre Idetero-mill site section and the entire financing for the Idetero-Sawala section. Construction of the road undertaken by a French company Touzet International, is expected to be completed in 1984 at the same time as the mill. [Dar es Salaam DAILY NEWS in English 20 Oct 82 p 3]

PHOSPHATE MINING--THE mining of phosphate at Minjingu in Hanang District, Arusha Region, is expected to start early next year. The Minister for Minerals, Ndugu Jackson Makweta, said in Dar es Salaam yesterday. The Minister said that basic preparations, including installation of machinery, were ready. He said equipment and the capacity of the machinery had already been tested. Ndugu Makweta, however, cited poor condition of the 96 kilometre Minjingu-Arusha road, incomplete godown in Arusha and the railway siding to connect the godown and main railway Arusha-Moshi line as constraints hindering smooth take off of the project. Construction of the godown to store soft phosphate from the 193.8m/- mine was expected to be completed mid December. The railway siding work undertaken by the Tanzania Railway Corporation (TRC) would be completed next month. The Minister also said that TRC had so far modified six wagons to be used in the transportation of the mineral to the Tanzania Fertilizer Company (TFC) at Tanga. A total of 50 wagons are required to facilitate

phosphate transportation. He said the mine which has a capacity of producing 100,000 tonnes of phosphate annually, would produce just enough for TRC. The company would need 60,500 tonnes of phosphates next year, 73,700 tonnes in 1984, 86,900 tonnes in 1985 and in 1986 TFC has targetted to use 89,000 tonnes. The Minister stated that studies are being conducted to locate potential markets within and outside the country. [Halima Sharif] [Excerpt] [Dar es Salaam DAILY NEWS in English 28 Oct 82 p 3]

CSO: 3400/184

NEW 'PEACE' MEASURES ANNOUNCED FOR LUWERO DISTRICT

EA130024 Kampala Domestic Service in English 1900 GMT 12 Nov 82

[Excerpts] The government has announced new measures to reorganize administration in Luwero District as part of its efforts to achieve total peace in the district.

Addressing meetings of district team members, councillors and chiefs in Luwero yesterday, the minister of state in the office of the president, Mr Rwakasisi, announced the suspension of the district council and the district service committee until further notice.

He also announced that all chiefs were going to be screened and those who will not meet the requirements of the government will be axed. Chiefs who will be reabsorbed will not stay in Luwero town, but go back to their areas to re-establish administration. Displaced people now occupying Luwero senior secondary school, whose areas have been cleared of bandits, were also told to go back to their homes. He said the government will provide them with hoes so that they can begin cultivating their own foods and rehabilitate their plantations.

Mr Rwakasisi said that the DC [district council], and the representatives of the Ministry of Local Government will, from now on, be charged with overseeing the performance of chiefs. He said from now on the office of the president will monitor all security and administrative affairs of the district, as well as the welfare of the people of Luwero.

Later, the minister addressed a public rally in Luwero town. In his speech, the minister of state in the office of the president, Mr Rwakasisi, challenged the people of Buganda to go back to their traditional belief in progress and the maintenance of peace. He noted with concern that the Buganda are replacing their civilization with lies and rumours being spread by what he called blood-thirsty defeated politicians.

The minister of information and broadcasting, Dr Anyoti, said the UPC government will not allow the people of Buganda to be (?targets of bullets) of bandits. He advised the people of Luwero to follow the good example of the people of Mpigi in rejecting bandits. He also assured them of their political freedom.

CSO: 3400/282

COUNTRY HAS NEW AGRICULTURAL CREDIT BANK

AB051314 Kinshasa AZAP in French 0908 GMT 5 Nov 82

[AZAP Commentary: "A Stake To Win"]

[Text] Kinshasa, 4 Nov (AZAP)--Zaire now has an "agricultural credit bank." The promulgation of the presidential ordinance [words indistinct] on Tuesday, the official installation in his functions of a "charge de mission" in the office of the state commissioner of agriculture, rural development and environment.

The creation of this important financial institution responds to the desire of the founding chairman of the MPR to make agriculture the "priority of priorities." It is known that the party Central Committee identified with this desire by deciding at the end of one of its sessions to redress the national economy through agricultural development.

The new initiative perfectly fits into the 3-year agricultural development plan (1982-84) published recently. It will contribute greatly to overcoming the factors that have led to more and more problems in Zairian agriculture these last years, especially in food production.

The task of contributing to the economic development of the country through the financing of projects or extending ones that are in operation is not easier to accomplish either. Zairian agriculture has always been confronted with numerous structural, human, financial and material problems. These difficulties are today heightened by the world economic crisis.

The financial means which constitute the initial capital, entirely controlled by the Zairian state (5 million zaires) is far from sufficient.

The essential thing, however was to make the decision. From now we have to let the new experience succeed.

We do not lack the resources. Eighty percent of our people depend on agriculture, fishing and stockbreeding for their living. What the farmers produce is more than that produced by organized enterprises operating in the same sector,

The Zairian people have already made great successes in agricultural development and food production. The success obtained by the Agricultural Credit Bank operation will strengthen the efficiency of the current struggle to eliminate the deficit which persists in the production of some food crops. Such is exactly the aim of the 1982-84 recovery plan: self-sufficiency in food.

CSO: 3419/220

BRIEFS

LEGISLATIVE COUNCIL OFFICIALS ELECTED--Citizen Nzondomyo Adokpe Lingo was reelected today as president of the Bureau of the National Legislative Council at the proposal of Citizen Mobutu Sese Seko, the founding chairman of the MPR and president of the republic and by a unanimous show of hands of all the People's Commissioners. People's Commissioner (Kasongo Mukunji) was elected first vice president and Citizen Kalome Muane (Kamanbue) the second vice president of the National Legislative Council. [AB152100 Kinshasa Domestic Service in French 1800 GMT 15 Nov 82]

CSO: 3419/220

STRENGTH OF BRITISH ARMY TRAINING TEAM TO BE INCREASED

Harare THE HERALD in English 21 Oct 82 p 1

[Text]

THE British Military Advisory Training Team will be increased by 34 men, the Secretary for the Ministry of Defence, Ode James Chitauo, said yesterday.

In an interview in Harare, Ode Chitauo said: "Eighteen people are already in the country and we are expecting one major, four other officers and 11 other soldiers by the end of the month or the middle of next month."

"Their task here is not yet finished and they are going to help us set up a Zimbabwean training team."

Although the number of the military advisers had been reduced from 130 to 73 before, both countries, Britain and Zimbabwe, had seen that their work was still needed.

Zimbabwe had asked for more assistance from the British government but would also contribute to the maintenance of the team. Zimbabwe was spending about \$389 000 a year on the training team, one-fifth of what Britain was spending.

"The British team will advise on the quality of potential instructors. The army intends to train as

many people as possible within the country.

"For courses which are not available in this country, we will send some people to train overseas but this is an expensive exercise," Ode Chitauo said.

Many people had received military training in countries such as Britain, Egypt and Nigeria.

The Government would try to redress the racial imbalance of officers in the air force, he said. The present racial imbalance was a historical legacy Zimbabwe had inherited from the previous colonialist governments.

"The Government is doing all it can to ensure that there will be more blacks in the air force in the shortest possible time."

Commenting on allegations that black Zimbabweans, who had attained higher ranks outside the country, were demoted once they joined the air force, he said it was not the policy of the air force or Government to demote people.

"Our force has a different system of giving ranks but it is not the in-

tention of the force or the Government to place people at lower ranks than they should be."

Ode Chitauo also denied allegations that there were discriminatory practices in the air force.

The rate of whites resigning from the force had levelled out and fewer of them were now leaving.

"Those still in the force have remained — probably because they want to stay and work for the Government. We will be training people in different fields essential to an air force, and in those fields we cannot fill with local people, we will recruit foreign people," said Ode Chitauo.

The exercise of weeding out soldiers with questionable loyalty to the Government was going on and several had been dismissed. Soldiers were dismissed if they were undisciplined, intemperate, showed lack of respect to senior officers and drank excessively.

"This is a painful exercise but it is within the defence regulations. Several people, including officers, have been dismissed and the exercise is still going on."

SERIOUS MEAL SHORTAGE REPORTED DESPITE MAIZE STOCKPILE

Harare THE FINANCIAL GAZETTE in English 22 Oct 82 p 3

[Text]

DESPITE Zimbabwe's huge stockpile of raw maize there is a confirmed and serious shortage of processed roller meal in Matabeleland which is worrying the Government, the Christian Care Relief organisation and millers generally.

The shortage is largely due to the severe drought last summer which hit subsistence farmers badly and to distribution problems for roller meal, in increasing demand.

All mills in the country are working to capacity — but most are in Masvingoland. They are reported now to be sending 400 tonnes of roller meal per week to Bulawayo to meet the milling shortfall but the demand is outstripping supply.

SUBSIDISED PRICE

Several farmers and millers also believe the shortage is partly due to the cheap, subsidised price of \$90 per tonne for roller meal.

But whatever the combination of reasons, the position in Matabeleland is unlikely to improve until good rains enable a new maize crop to be grown and harvested in Matabeleland by February next year, when subsistence farmers could rough-grind their own maize.

At present the general milling capacity to produce roller meal cannot be increased appreciably, or at all.

Mr Keith Watt, president of the Millers Association, said in Harare

this week that all mills were running to full capacity.

"We are going flat out to produce all the maize-meal we can to fulfil the growing demand," he said. "The only answer is to build more mills but that will take time and foreign currency."

He said that a programme to increase the country's milling capacity had been submitted to the Government some time ago.

TAKEN UNAWARES

"But the drought took everyone unaware. It could take up to two years before a new mill could be in operation even if a decision were to be taken today."

He added that even if raw maize were to be put through hammer-mills to produce coarser, straight-run maize this product would cost more than the subsidised cheap roller-meal.

It was generally known that, while farmers could grow maize and sell it at \$120 per tonne to the Grain Marketing Board, due to the subsidy system they could buy processed roller meal at only \$90 per tonne.

The millers bought the maize from the GMB at \$137 per tonne and with the help of the subsidy sold it at the price of \$90 a tonne.

"So naturally this subsidy system has created a distortion in the roller meal market," said Mr Watt. "There is no subsidy on

straight-run coarser maize which now costs more than the refined processed maize-meal."

Several farmers said they believed that some cattlemen were buying roller-meal at \$90 per tonne to feed their cattle. Others were stockpiling it in case the subsidy should be removed and the price be increased.

They said that if the existing subsidy were to be reduced by an appreciable amount, the resulting price increase would help to even out the available supplies of roller-meal. Its cheapness at present inclined some consumers to waste it.

It is known that the Millers Association applied to Government for an increase in the price of roller-meal about a year ago. But so far, despite recent rumours when the retail prices of cooking-oil and bread were increased following a cut in subsidies, the subsidised price of roller meal has not been changed.

Spokesmen for the Christian Care Relief organisation in Harare this week confirmed that the shortage of the staple food in Matabeleland is "serious and getting worse."

"If people could grow maize now they would grind it themselves. But the drought has killed their crops and they can only buy the roller meal which is in very short supply. The situation is really serious," said Mr Bill Chinyuku of Christian Care this week.

COLIN BICKLE FORFEITS PROPERTY TO STATE

Harare THE HERALD in English 16 Oct 82 p 1

[Text]

HARARE.

MR COLIN BICKLE, the Bulawayo businessman who unknowingly flew a South African agent into Zimbabwe has had his property declared forfeit to the State.

An order from the Minister of Home Affairs, Cde Herbert Ukwankunda, published in yesterday's Government Gazette, declared Mr Bickle's property to be forfeit in terms of the Emergency Powers (Forfeiture of Enemy Property) Regulations, 1981.

The regulations lay down that anyone who appears to the minister to be an enemy of the State and to act as an agent of any foreign country or to be involved in any subversive activity, should have his property confiscated by the State.

Mr Bickle (52), who was a farmer and chairman of the Philpott and Collins group when he flew the man into Zimba-

bwe, was arrested on February 22 this year and tried in May.

The court heard that he had illegally flown a weapons dealer with his weapons to an airstrip in South Africa and had been persuaded by a former Zimbabwean policeman to fly two Ndebele-speaking men back to Zimbabwe.

It was agreed by the State and the defence that one of the men had been trained in Namibia by South Africa to seek out ANC bases in Zimbabwe.

Mr Bickle said he had not known this when he agreed to fly the men into Zimbabwe but had thought the men were Zimbabwean agents.

Regional magistrate Mr Tom Smith found that Mr Bickle had not suspected that the man was a South African-trained agent.

Mr Bickle was fined a total of \$3 000 for contraventions of the Immigration Act and the Customs and Excise Act and was given a four-month, conditionally suspended jail sentence.

CSO: 3400/189

REPORT ON TOP COMPANIES, ECONOMY PUBLISHED

Harare BUSINESS HERALD in English 21 Oct 82 pp 7-12

[Selections from special report on "Top Companies & Economic Review"]

[Article by Professor Tony Hawkins, head of the Department of Business Studies, University of Zimbabwe: "Government and Big Business Must Work Together"]

[Text]

THE social responsibility of business, according to Professor Milton Friedman, is to increase profits, so long as the firm engages in open and free competition, without deception or fraud. While this may be the most frequently-quoted assessment of corporate social responsibility, it is almost certainly a minority one.

In the United States, opinion polls have for years concluded that more than 60 percent of Americans are mistrustful of business. And yet even socialists, while they balk at the concept of "increasing" profits, acknowledge that an enterprise must earn a surplus, or profit, in order to service its capital, to renew and replace equipment and to create new capacity and additional jobs.

It is generally accepted that the most important single determinant of new investment in capacity and employment is the expected rate of return, which itself tends to be a function of current profitability, extrapolated with modifications, into the future.

The investment guidelines published this month by the Zimbabwe Government explicitly

acknowledge the links between social performance on the one hand and profitability on the other.

It is Government policy to have a strong and viable private sector "understandably inspired by the economic return to investment", operating alongside the public sector. "But a private sector that is also conscious of and dedicated to the economic and social advancement of the State of Zimbabwe and its people . . ."

SIMPLISTIC

The Friedmanite position, simplistic as ever, is that business leaders are not only ill-equipped to involve themselves in social and even moral issues outside their field of alleged expertise, but they have no right to do so. Managers are the servants of their shareholders

and, as such, have a responsibility to increase earnings and dividends. Such a viewpoint is too simplistic because it assumes that business decision-making is a zero-sum game. In other words, investment in "social" performance must, in Friedman's book, reduce profits and dividends.

In the very short run, this may be so, but in the longer run such expenditure — on health, education, improved relations with government or organised labour, information disclosure, and so on — may well have a favourable impact on shareholder wealth.

In any event, we know that business leaders do not see themselves as an island remote from the social, political and economic environment in which they conduct operations. It was Machiavelli,

of all people, who laid the foundation to social responsibility in business when he wrote: "He errs least and will be most favoured by fortune who suits his proceedings to the times."

In all probability suiting one's proceedings to the times in Zimbabwe in the 1980s will not be an easy task. Not just because of the inherent tension that exists between private and public sector--though there has been a discernible improvement in this relationship during 1982--but because, after two years of abnormal and above-average growth, the Zimbabwe economy is increasingly feeling the impact of the world recession.

Corporate profits grew more slowly in 1981/2 than in the two preceeding years and interim results for 1982/3 show a double-digit decline. Unfortunately, this squeeze on corporate profits has coincided with an expanded investment target for the private sector. In terms of the 1982/5 Transitional Development Plan, the private sector is targetted to invest some 40 percent of the \$6 billion (at 1981 prices) investment programme--equivalent to some \$800 million a year which is more than total investment of just over \$700 million by both the private and public sectors during 1981.

Social performance extends well beyond the narrow confines of profit levels and investment intentions. The public no longer accepts economic efficiency -- on its own -- as the sole justification for corporate existence. Expectations run higher than that, which is hardly surprising since business leaders cast themselves -- or are cast -- as opinion-formers and trendsetters.

But, if American evidence is any guide, business, especially big business, has a poor image. A British newspaper reported in 1979 that Henry Ford II had equipped his office with a US \$250 000 sauna, private gym and full-time masseur as well as a private dining room with six full-time employees, including a Swiss chef.

Such a lifestyle was hardly calculated to generate public admiration, let alone sympathy, for big business. Indeed, J K Galbraith has drawn attention to the paradoxical situation whereby the largely transnational corporations which have access to the most modern technology and highest-level skills, fall dismally in the field of image-making.

Their public relations

are frequently either non-existent or appalling. They appear to believe that bigness, high levels of profitability and impressive growth rates are evidence of professional superiority and that business success alone, measured in terms of earnings per share or asset-growth justifies the corporation's existence.

CYNICISM

Public cynicism has a variety of origins and cannot be countered merely by public relations campaigns or employee reports. The interface between private enterprise and the socialist state is far too complex for this. In the 1980s in Zimbabwe, the "top company" needs a public affairs manager (or department) scanning the environment, keeping his colleagues and seniors in touch with changing socio-political as well as economic conditions.

Labour relations, and above all, labour communications, are far more important in the new Zimbabwe than ever before. In a stagnant world economy, productivity standards are absolutely critical and industrial relations, worker participation schemes and ancil-

lary health and training programmes are fundamental to improved productivity. Information disclosure is vital, too.

PROFITS

Companies should voluntarily disclose far more information not just to shareholders, about business performance but also about the perceived impact of the business in areas of social, moral or political concern.

In the specific realm of profits, it is time for business to come clean. In Zimbabwe, for instance, probably fewer than 100 organisations publish profit figures. Some of the largest businesses report information to their head offices abroad which the Zimbabwean public has every right to know.

One has to read an overseas newspaper, for instance, to see whether the head office in London or elsewhere in commenting at all meaningfully on the subsidiary's operations in Zimbabwe. Here, the company is silent.

It is hardly surprising that this unhealthy preoccupation with corporate secrecy on the part of the multinationals should have given rise to all sorts of

conspiracy theories, distorted impressions of profitability levels, and suspicion of transfer pricing practices. Even where profit figures are widely published — as in the US — the public perception of profit rates is frequently exaggerated.

DISTORTION

One US report shows that opinion polls reveal that the bulk of the American public believes profits to average between 20 percent and 30 percent of sales, whereas, in fact, the actual figure is only one-third or one-quarter of that. Above all, of course, profit figures are distorted by the failure to adjust for inflation which would give a more realistic picture.

It is essential for business to be more forthcoming about profit levels in Zimbabwe, given rep-

eated claims that profits are being squeezed by escalating costs and controlled prices. We need a complete picture of the situation not just isolated information from those companies listed on the Stock Exchange. This surely is a good example of the situation in which full disclosure will help rather than hinder the social performance of business.

UNEMPLOYMENT

At a wider level, in the current economic climate, not just in Zimbabwe but internationally, it is time for a lowering of expectations. The golden age of economic growth and prosperity experienced between 1948 and 1973 has been succeeded by a period of slower growth, rising prices, falling investment, and above all, rising unemployment.

The challenge facing Zimbabwe is neatly sum-

marised in Bruce Scott's recent article in the Harvard Business Review, aptly titled Can Industry Survive the Welfare State? Professor Scott contrasts the impressive performance of the "new Japan" — Hong Kong, Taiwan, South Korea and Singapore — with the lacklustre achievements of Western Europe and North America. He warns of the disaster that awaits those who concentrate on short-run consumer welfare to the neglect of investment in productivity capacity.

In essence, the conclusion is simple. Just as the business sector cannot afford to ignore its social responsibilities, so the government sector cannot afford to concentrate on welfare issues and neglect the "hard" economic aggregates like the balance of payments, investment, inflation and employment.

It All Depends on What You Mean by a 'Top Company'

A TOP company may mean different things to different people. Generally your point of view is coloured by whether you are a shareholder, lender, employee, consumer or politician, and whether you are a capitalist or socialist by conviction.

Your decision as to what constitutes a top company may also be affected by a consideration of the socio-economic environment in which the companies being judged operate: for example, the criteria for selecting top US corporations are not necessarily those which should apply in the UK and yet others may be used in under-developed or developing countries such as Zimbabwe.

Top companies in the US are rated usually as those with the biggest earnings for shareholders. They are also judged by how much more they have grown in sales, assets, profits and dividends than their competitors.

To the best of my knowledge not a single US quoted corporation publishes a value added statement. Furthermore few publish employee reports stressing matters other than profitability as understood in the traditional shareholder form. But attention is often given to rewards earned by top sales employees and space is devoted to news of loyal past employees now retired to places in the sun.

Also favoured is disclosure on action taken to safeguard the environment and to provide jobs for the minority (meaning black) population group, but less emphasis has been placed on this latter item since President Carter lost the election.

EMPLOYEES' TOP COMPANIES

Position

- 1 Art
- 2 Dunlop
- 3 Hunyani
- 4 Delta
- 5 T.A.

South African companies will have nothing to do with this (in their opinion) dangerously liberal style of reporting. For example read what top company South African Breweries, related closely to our Delta Corporation, wrote concerning its view on the UN and that body's efforts to improve corporate reporting: "Pronouncements of any United Nations organisation are regarded with scant respect if any at all, and certainly what they have to say regarding multinational companies has been completely ignored."

The UK position is different from that in the US and South Africa. There, because of a more socialistic society, companies are becoming more aware of the need to consider not just shareholders if they are to be truly top in the eyes of the nation. Today, organised industrial institutes, professional accountancy bodies and the media offer prized awards to those companies producing the best reports for all types of user groups or stakeholders and a number of the competition categories are for the excellence of employee reports.

In Zimbabwe there are relatively few investors in relation to its population, and even fewer local investors; our work force although a small percentage of the national population is nevertheless a most vital income provider for the masses. In addition the Government is keenly interested in the affairs of the private business sector, for both economic and ideological reasons.

Therefore although it is very necessary to consider the value of a company to its shareholders (for without satisfying them there

will be no new private investment growth in Zimbabwe), entrepreneurs must also place great emphasis on the value of the company to employees, government and Zimbabwean society as a whole if it is to remain viable. Thus, four user groups must be considered when selecting top companies.

Nevertheless size is still a factor to be taken into account. In addition there are recognised measures of interest to different user groups: Shareholders are concerned with the returns on their investment and the risk involved; employees are interested in returns and risks of a different kind, namely the amount of the take-home pay and related benefits and the security of the company; lenders worry about the safety of their money and the borrowers' prospects; while the government may be interested in all these factors because they affect the economic and social good of the nation.

In fact we now see that all these sectors focus their attention on earnings and risk in various forms. But when these are met, it is the biggest company which satisfies these criteria which is the top company.

And so today there are displayed tables listing the names of those quoted companies in Zimbabwe (other than mines and banks) who are the biggest in sales, assets, profits, market capitalisation, income tax paid, employee numbers, value added, and new investment.

Of the big companies who appear on the top ten in earnings backed by the apparent stability of large asset and sales figures, shareholder preference could be expected to place them in the following order.

In the top band would come Dunlop, TSL and Plate Glass. All give a return of about 25 percent on shareholders' funds employed; all had an excellent growth in earnings: TSL achieving

trend of 37 percent, Dunlop 36 percent, and Plate Glass 26 percent, all well above the inflationary rates indicated by the consumer price index. Vulnerability may be claimed to exist in respect of Dunlop and TSL because of their relatively high "sales margin" ratios, for a fall off in turnover will have a greater adverse effect on their profitability than those companies experiencing the same fall off in demand but structured on a lower ratio base, e.g. National Foods.

Shareholders' choice:

However Dunlop, Plate Glass and TSL are nudged out of the first place grouping by three companies who do not figure in the big size league tables. They are Central African Cables, CAPS and Edgars. All three produced excellent returns on equity employed; Cafca and CAPS had steeply ris-

THE TOP TEN IN INCOME TAX PAID

| | \$ million: |
|--------------------------------|-------------|
| 1 T.A. | 5.5 |
| 2 Plate Glass..... | 4.8 |
| 3 Dunlop | 3.7 |
| 4 Central African Cables | 2.5 |
| 5 TSL | 2.3 |
| 6 Rothmans | 2.2 |
| 7 B A T | 1.9 |
| 8 Edgars | 1.6 |
| 9 Afdia | 1.5 |
| 10 David Whitehead | 1.5 |

ing eps trends and Edgars gave good growth coupled with splendid operating, working capital and security indicators.

Art, David Whitehead and National Foods are placed in the third place band just ahead of Delta, TA and Hunyani who had less pleasing results for shareholders. These latter three holding companies had returns on equity funds of 14/18 percent. TA had a negative eps trend of 27 percent, Delta did not cover the inflationary rate by recording an eps growth of only 7 percent and started warning lights blinking

with its increasing debt ratio and tightening current and quick ratios.

The Government's choice:

In the Government's eyes Delta could be said to be the most important company.

Although it is not among the 10 biggest income tax payers, paying only \$1.1 million in 1982, it made a massive contribution to the national current account by collecting over \$71 million in excise duties. It was also the employer of the largest number of workers, 8 286, and by using \$8.1 million of its own funds was second in the ratings for new investment.

TA can be argued to take second place. It heads the income tax and new investment lists and together with its associated companies gives work to 7 778 people. Hippo enters the list because of its importance as an employer and its investment total for the year. National Foods are near the top for similar reasons (new net investment in plant and working capital was \$7.4 million). Afdia is given a mid-position because of its contribution of about \$19 million, mainly excise duty, to the exchequer.

GOVERNMENT'S TOP COMPANIES

| Position | |
|----------|-----------------|
| 1 | Delta |
| 2 | T.A. |
| 3 | Hippo |
| 4 | National Foods |
| 5 | Afdia |
| 6 | Plate Glass |
| 7 | T.S.L. |
| 8 | Dunlop |
| 9 | Hunyani |
| 10 | David Whitehead |

Although the shareholders' favourites do not make the Government's Top Ten they still make a worthwhile contribution: Cafca and Edgars lie 4th and 8th respectively in the ten biggest tax payers. Caps is a fair contributor paying \$1.2 million tax, new investment \$1.4 million and employing 878 people.

THE TOP TEN IN SALES

| | | 1982 | Percent change from 1980 |
|----|------------------|-------------|--------------------------|
| | | \$ 000s | |
| 1 | Delta | (1) 231 040 | +36 |
| 2 | T.A. | (2) 160 323 | +31 |
| 3 | National Foods | (3) 136 135 | +32 |
| 4 | Plate Glass | (6) 55 308 | +34 |
| 5 | Hippo Valley | (4) 54 543 | -10 |
| 6 | Zimbabwe Alloys | (5) 54 000 | +20 |
| 7 | David Whitehead | (7) 40 319 | +14 |
| 8 | Z.S.R. | (8) 37 520 | +23 |
| 9 | Hunyani Holdings | (10) 36 618 | +48 |
| 10 | Dunlop | (9) 38 255 | +29 |

(1981 position in brackets)

But over \$71 million of Delta's sales was excise duty collected for the Government, representing a 100 percent increase in the amount paid over in 1980. If Delta's figures are shown excluding excise then sales for the 1982 year become \$160 million, growth drops to 19 percent and first place goes to T.A. Holdings.

THE TOP TEN IN EMPLOYEES

| | 1982 | 1981 |
|----|------------------------|---------------|
| 1 | Delta 8 286 | 7 700 |
| 2 | T.A. 7 778 | 7 048 |
| 3 | Hippo 7 665 | 8 048 |
| 4 | Zimbabwe Alloys 4 400 | 3 580 |
| 5 | National Foods 4 240 | 3 806 |
| 6 | Border Timbers 4 348 | 4 183 |
| 7 | Plate Glass 3 018 | 3 358 |
| 8 | Hunyani Holdings 2 343 | 3 056 |
| 9 | T.S.L. 2 228 | 1 076 |
| 10 | Dunlop 1 498 | 1 315 |
| | <u>45 738</u> | <u>43 181</u> |

Note: The "growth" of 3 557 does not represent new jobs created, some of the increase is due to subsidiaries acquired during the period.

MARKET RATINGS AT MID-SEPTEMBER 1982

| | Market/equity ratio | P/E ratio |
|----|-------------------------------|-----------|
| 1 | Edgars 1.40:1 | 5.55:1 |
| 2 | Central African Cables 1.32:1 | 4.22:1 |
| 3 | CAPS 0.91:1 | 3.11:1 |
| 4 | T.S.L. 0.83:1 | 3.46:1 |
| 5 | Dunlop 0.73:1 | 2.94:1 |
| 6 | Plate Glass 0.66:1 | 2.86:1 |
| 7 | Hunyani Holdings 0.65:1 | 4.11:1 |
| 8 | B.A.T. 0.65:1 | 4.05:1 |
| 9 | National Foods 0.59:1 | 2.62:1 |
| 10 | Art 0.51:1 | 2.68:1 |
| | Note Delta rates 0.37:1 | 2.58:1 |

THE TOP TEN IN TOTAL ASSETS

(In thousands of dollars)

| | | 1982 | 1981 |
|--------------------------|-----|---------|---------|
| 1 Delta | (1) | 145 682 | 115 481 |
| 2 Zimbabwe Alloys — | (3) | 128 620 | 105 850 |
| 3 T.A. | (4) | 117 331 | 100 978 |
| 4 Hippo Valley — | (2) | 113 240 | 113 427 |
| 5 National Foods — | (5) | 67 736 | 57 328 |
| 6 David Whitehead — | (6) | 51 651 | 40 723 |
| 7 S P C | (7) | 49 742 | 32 174 |
| 8 Hunyani Holdings | (8) | 48 643 | 31 986 |
| 9 Art Printers | (9) | 45 570 | 30 652 |
| 10 Plate Glass | (—) | 36 765 | 25 873 |

(1981 position in brackets)

Social Responsibility:

Many of our quoted companies are concerning themselves with societal reporting. Zimbabwe betters Britain with a higher percentage of quoted companies publishing value added statements. In addition many of our companies now publish reports for employees on the year's trading, and it is a growing trend. Among the companies dealt with in the top company lists only Art and TA published employee reports last year, happily they are now joined by 6 new entrants viz., Afdis, Rothmans, Edgars, Hippo, Hunyani,

and Plate Glass.

Sadly the last time Delta published an employee report was three years ago. Perhaps they and others cover the information in "in-house" journals; but this is thought not to be the same by overseas researchers; apparently workers and trade unions treat this type of informal published matter with suspicion. Furthermore doubt is raised in the minds of workers if they are fed with special information, such as a value added statement which is not given to shareholders in the annual report.

Employee Choice:

One has no hesitation in placing Art at the top of the list in employee reports and in being concerned with their welfare. The annual pay and benefits average out at \$5,3 thousand for each employee. The employees' trust, which is the most progressive and pioneering in Zimbabwe, received \$324 000 from company profits for the year. Art is the one major company that has complied with the President's desire for private enterprise to follow the Government's lead in Zimbabweanising top management; its executive chairman is black and so too are four of the other nine directors.

Dunlop comes second in this section with high earnings and benefits per employee; a social report within the annual report, a long record of providing welfare benefits such as a clinic, canteen, sports club, training school and university bursaries.

Hunyaani, Delta and TA are among the leaders in the employee responsibility section. Hunyaani and TA provide detailed and well presented employee reports. Delta as already stated misses out in this regard but makes up the lost ground by presenting an excellently styled stakeholder type annual report and interim

THE TOP TEN IN MARKET CAPITALISATION

(at mid-September 1982 in millions of dollars)

| | | 1982 | Percent change from September 1981 | | 1980 market price |
|----|------------------|--------|--|------|----------------------|
| | | | 1981 | 1980 | |
| 1 | Delta | \$31.3 | -25% | -74% | |
| 2 | National Foods | 21.1 | -6% | -66% | |
| 3 | Hunyani Holdings | 21.0 | +7% | -48% | |
| 4 | David Whitehead | 15.6 | +16% | -58% | |
| 5 | Dunlop | 15.6 | +12% | N/A | |
| 6 | Plate Glass | 15.5 | -31% | -45% | |
| 7 | T S L | 14.3 | -3% | N/A | |
| 8 | T.A. | 14.2 | -36% | N/A | |
| 9 | Edgars | 11.7 | -6% | -28% | |
| 10 | Art | 11.6 | -29% | -53% | |

Re Items marked N/A: Dunlop was listed only from November 1980; T S L and T.A. had significant share issues in 1980/1981.

THE TOP TEN IN EARNINGS

| Position | Year ended | | \$ 000s | Percent change from 1980 |
|----------|------------|------------------|------------|-----------------------------------|
| 1 | March '82 | Delta | (2) 12 117 | +7 |
| 2 | March '82 | National Foods | (4) 8 018 | +40 |
| 3 | March '82 | Hippo Valley | (1) 7 957 | -64 |
| 4 | Sept. '81 | D. Whitehead | (5) 7 572 | +50 |
| 5 | May '82 | T.A. | (3) 6 249 | -13 |
| 6 | March '82 | Plate Glass | (6) 5 420 | +29 |
| 7 | Dec. '81 | Dunlop | (7) 5 298 | +36 |
| 8 | Sep. '81 | Hunyani Holdings | (9) 5 105 | +82 |
| 9 | Dec. '81 | Art Printers | (10) 4 233 | +52 |
| 10 | Oct. '81 | T S L | (-) 4 073 | +59 |

(1981 position in brackets)

THE TOPS IN VALUE ADDED

| Position | Company | Value added (Million) | Employees | Percentage Share Distributed to Shareholders | Gov. | Corp. |
|----------|--------------------|-----------------------|-----------|--|------|-------|
| 1 | Delta | \$126 | 28% | 5% | 58% | 5% |
| 2 | T.A. | 47 | 57% | 9% | 12% | 9% |
| 3 | National Foods | 26 | 52% | 12% | 2% | 19% |
| 4 | African Distillers | 23 | 8% | 4% | 83% | 5% |
| 5 | Plate Glass | 20 | 46% | 11% | 26% | 13% |
| 6 | B A T (15 months) | 20 | 16% | 8% | 74% | 4% |
| 7 | Rothmans | 19 | 15% | 4% | 76% | 5% |
| 8 | David Whitehead | 18 | 43% | 20% | 11% | 23% |
| 9 | Hunyani Holdings | 17 | 55% | 13% | 7% | 17% |
| 10 | Dunlop | 17 | 40% | 16% | 26% | 11% |
| 11 | Art | 12 | 56% | 14% | 2% | 16% |
| 12 | T S L | 12 | 39% | 16% | 24% | 9% |

newspaper statements, in which employee matters are well covered. All three companies are involved in worker education and training.

The employee top company list has been kept short at five because apart from providing value added statements

THE TOP TEN IN NEW INVESTMENTS

| | \$ millions |
|--------------------|-------------|
| 1 T.A. | 8.1 |
| 2 National Foods | 7.4 |
| 3 Delta | 7.2 |
| 4 Hippo Valley | 6.3 |
| 5 T S L | 5.6 |
| 6 David Whitehead | 5.0 |
| 7 Hunyani Holdings | 4.8 |
| 8 Dunlop | 4.6 |
| 9 S P C | 3.8 |
| 10 Plate Glass | 3.4 |
| 10 Art | 3.4 |

the remaining companies give very little specific information on social benefits so it is not possible to award them places in the listings.

Edgars fares well when it comes to employee reporting. The employee report shows that value added totalled \$10 million, employees got 52 percent of this or \$8 017 on average each. There were 868 employees and \$89 000 was spent on their training during the year; in addition \$750 000 is being spent on the purchase of a new training institute.

There is still much that even the leaders can do to improve the standard of their reporting. For example, terms within the value added statement should be defined, (is it not cheating to include top executive directors remuneration in "employees" pay and benefits?), and not only the good achieved by the company should be disclosed but also where it fell down.

Finally there are two glaring omissions from most reports; these are

SHAREHOLDERS' TOP COMPANIES

| Position | |
|----------|-----------------|
| 1 | Cafca |
| 1 | CAPS |
| 1 | Edgars |
| 2 | Dunlop |
| 2 | Plate Glass |
| 2 | T S L |
| 3 | Art |
| 3 | David Whitehead |
| 3 | National Foods |
| 4 | Delta |
| 4 | Hunyani |
| 4 | T.A. |

details on inflation and productivity. These two matters are of great importance nowadays and yet only Art, Dunlop and SPC of all those ap-

pearing on any of the tables produced accounts showing the effects of inflation on business. None produced full statements of productivity or efficiency but some did give a few details on these, but this was scattered at random in the reports and easily missed.

Delta gave volumes sold, so did Afdis, SPC gave tonnage, Edgars gave turnover per square metre; but more could be done; one simple measure of productivity is to calculate the value added per employee and compare the trend over the years (adjusted for inflation of course).

Mines are Waiting for Good Times

THE economic problems of the mining industry have been expressed and commented upon in many forums in recent months. The main factors relate to the world recession, which, far from having lifted, seems to have become worse in recent months.

The industry enjoyed a good year in 1980 when the value of mineral production rose by 32 percent, including a massive 79 percent increase in the value of gold production. Mineral exports rose by a similar percentage.

However, in 1981 the value of production was five percent down on the 1980 figures and exports (excluding gold) fell by eight percent.

This trend continued into 1982 and the published figures show a further slight fall in the first half of this year in production, though exports are slightly higher than for the same period last year, though this trend is unlikely to continue for the second half of the year.

The marketing problems are no longer just a matter of falling prices. Prices have certainly been poor but the value of the Zimbabwean dollar has been more consistent in relation to other currencies, particularly the US dollar, since mid 1981 and this has affected our at-mine sales proceeds. Furthermore it is now virtually impossible to sell significant quantities of certain products at any price which has a realistic relationship to cost of production.

There is a volume problem as well. This is due to the fall in real consumption, particularly in the steel industry worldwide, and the desire to reduce stockholdings to meet lower consumption levels and avoid paying high interest charges.

JOBLESS

Specifically, for example the United States steel industry is said to be working at less than half capacity. In Pittsburgh, for example, 25 percent of steelmen are out of work.

In Europe, some of the major companies are on two and three-day weeks, serious talks about closures and amalgamations are taking place and

metals are bought in very competitive conditions on an as-required basis.

Even Japan, which was able to maintain its production levels longer than elsewhere, is now suffering.

Comecon countries still buy intermittently, though the quantities have never been large, but Russia particularly is selling material into the Western world on an increasing scale in order to obtain foreign currency and this is having a depressing effect on Western markets.

At the beginning of 1981 it was hoped that the turnaround in world economic conditions would start in the second or third quarter of the year stimulated by a fall in interest rates in America and the need for the US administration to stimulate economic activity before the November political elections.

As time has gone by, this optimism has proved ill-founded and it is virtually impossible now to get any commentator to suggest when markets will improve. Certainly it is generally expected that 1983 will be a difficult year for the mining industry.

The behaviour of gold

during the past two years has been interesting in that it was regarded as being anti-cyclical, with prices rising in bad times but falling in good. This has not been the pattern in this recession and gold prices too have been disappointing in the past 18 months.

The effect of the continuing, and in some instances worsening, world economic situation on Zimbabwe's mining industry has been serious. The production and export values quoted earlier reflect this but in themselves do not properly indicate the magnitude of the problem. During the past 2½ years, costs on the mines have been escalating for many reasons including higher wages and salaries, higher costs of imports and local stores items and so on.

Lower efficiency has contributed to the problem. Each mine's experience has differed but it is doubtful whether there are any mines operating today whose costs per unit of saleable commodity have not increased by at least 20 percent in each of the past two years.

RISING COSTS

The failure to get better prices, coupled with increasing costs, has now eliminated profits in most of the industry. At the same time the difficulties in the markets have meant increased stockholdings which in turn means increased borrowings. The pattern of interest rates was raised twice in 1981 and the cost of servicing debt has become a major item for many companies.

The very serious cash-flow problems which now exist have meant that companies have slashed capital expenditure, reduced prospecting activity and deferred underground

development. None of these actions can be in the long-term interest of the industry or the country because the time must come when worn-out equipment is replaced (at even higher cost), underground development extended and new mines will need to be opened up. But these new mines will not be there because geological efforts will not have delineated them.

In some minerals the position is such that serious thought is having to be given to closure of at least part of the operations.

This too is most undesirable as it means a loss of foreign currency, but more important a loss of jobs. Furthermore these cut-backs will substantially delay a recovery in the mining sector once markets do improve.

The Government is well aware of the problems facing industry and is most concerned about the situation. This concern has been reflected in tangible ways in that proposals have been put together by the Ministry of Mines to help the gold-mining industry, particularly the small worker, and to provide loan funds to some of the major companies to enable them to keep operating and maintain employment.

PRESSURE

The present rise in gold prices has lifted the pressure slightly off gold producers for the time being. However, the financial packages for the larger companies are being actively discussed. A balance will have to be struck between keeping people employed and maintaining borrowing at reasonable levels. The companies concerned are already very heavily borrowed and can-

not project themselves as profitable in any foreseeable circumstances and are thus reluctant to incur any further commitments.

Elsewhere in the world the problems of the industry are being met in one of three ways, namely:

a) closure on at least a temporary basis with the consequential adverse effect on employment;

b) subsidies from governments which need the foreign-exchange earnings and cannot accept unemployment because they have no built-in social security systems, or,

c) currency realignments which are politically often unacceptable and can have undesirable effects on other sectors of the economy which are undesirable.

None of these resolutions is remotely attractive in Zimbabwe but the industry is in acute difficulties already in late 1982, with no assured prospects of improvement through 1983.

The practical demonstration of concern by the Government is much appreciated by all in the industry. It is an industry which has experienced hardship and difficulties before and which remains confident that the present realities will be faced by all concerned so that viability can be restored and further growth achieved when world economic circumstances are better.

In the meantime, we will continue in faith and to the best of our ability to keep costs down, efficiency high and sales as competitively priced as possible.

Let us hope that conditions improve sooner than we expect and that the mining industry can again take its place as a major foreign currency earner and an industry where skill and hard work can be properly rewarded.

Zimbabwe Better Placed To Weather The Recession

ZIMBABWE is not alone amongst Third World countries in experiencing severe balance of payments problems at the present time.

In fact Zimbabwe is far better placed to overcome its difficulties in the longer term because of its more greatly diversified economic base.

While the economic downturn is due in large measure to the world recession there are a number of factors within Zimbabwe which have worsened the position.

The all-items average rate of price inflation for higher income urban families rose to an average of 19.5 percent for the period July 1981 to July 1982 which was some 5.1 percent higher than the corresponding period the previous year.

RIISING COSTS

In the first half of 1982 prices for higher income urban families rose by 10.7 percent. Further increases in the price of commodities can be anticipated as Government moves away from subsidising foodstuffs and as a result of increases in sales tax and import duties.

Ever-rising costs have necessitated a number of applications for price increases which are currently in the pipeline pending Government approval. As the viability of a number of business enterprises depends upon these being approved these will, in turn, have their impact on the cost of living.

The clothing sub-sector has been hard hit as demand for local clothing has declined. By removing clothing from Open General Import Licence from Botswana it is anticipated that this trend, to some extent, will be corrected.

In addition to clothing

factories a number of other manufacturers have had to cut back production and are operating on short time. One of the most serious problems facing such industries is where they have been directed to continue paying their labour on the basis of a full week's work rather than on short time.

Unless this policy is reviewed or dispensation is granted the future viability of a number of companies is bound to be seriously eroded. As a result of falling demand in world markets, metal and metal products have been adversely affected, resulting in a 24 percent drop in production in the first six months of 1982, compared with the same period last year.

Zimbabwe is not alone amongst developing countries in having fared poorly on international markets. Our pattern of domestic demand has altered as a result of increased wages which has given more spending power to lower income groups. This in turn has had some effect on the quantity of goods available for export.

Statistics indicate deteriorating levels of exports and increasing levels of imports to support an economy which is heavily dependent on imported raw materials for its industrial base.

Since 1981 our trade balance has deteriorated further from a visible trade deficit of 10.2 million to \$136.4 million in the periods January to May between 1981 and 1982.

The value of total exports including gold sales and re-exports (excluding NCI transactions) declined by some 12.7 percent to May 1982 compared to the same period last year.

Conversely the value of imports over the same period increased by 21.8 percent, thereby exacerbating an already strained foreign exchange situation. To counteract

the extremely serious foreign exchange situation it will be necessary for Government to rely heavily upon external resources to finance development plans in 1982/83 fiscal year.

Government has already announced that the foreign currency allocation cuts for the last quota period of 1982 will be substantial although details have yet to be released. These further cuts come on top of reductions which amount to some 30 percent in the last twelve months.

It can be safely assumed that the areas of least reduction will be those of highest priority imports. Therefore one can anticipate extremely heavy cuts on less essential items, if not in some cases, the actual elimination of an allocation. For those businesses dealing in such imports the effect will be profoundly adverse.

Although the medicine is unpalatable every effort must be made to conserve currency. At the same time Government must maintain strong measures to ensure that what is available is spent to best advantage and fully accounted for.

There have been too many accusations in the past of allocations being misused and of Government itself not keeping sufficient rein on its own spending. Stringent house-keeping is paramount.

A frequent misconception is that a large proportion of the currency distributed to the commercial sector goes on non-essential items. Nothing could be further from the truth.

Against the continuing international recession and the factors mentioned above it appears that 1983 will be a period of austerity for the country as a whole.

Costs of production can be expected to increase as a result of higher import costs and labour costs. International commodity markets seem unlikely to improve in the short term

so little relief can be expected from that quarter.

What is needed in 1983 to cushion the effects of the economic downturn and to try and restore the economy to a pattern of economic growth is a pragmatic approach to those internal problems which we can do something about, such as rationalising the effects of an increasing number of new controls virtually all of which have a direct bearing, in one form or another, on the performance of the economy.

Both private sector and Government must consolidate their efforts in working even more closely together, as the future long term success of Zimbabwe rests upon all sectors contributing their ideas and expertise towards creating an economic climate which has the potential of keeping pace with providing jobs for a growing population and spreading the benefits resulting from economic advancement as widely as possible.

Co-Operation is Key to Lome Success

THE first Lome Convention (1975-1980) already contained provisions on industrial co-operation between the EEC and the ACP (African, Caribbean, Pacific) countries. In the second Lome Convention (1980-1985), of which Zimbabwe became a full member from April 1 1982, the provisions are more precise and more specific than those contained in the first Convention.

The central position that industrial co-operation occupies in the policy of co-operation between the EEC and the ACP states also reflects the changes that are occurring in international economic relations. The developing countries are playing an increasingly important part in the industrial production and the international trade in manufactured products.

PARTNERSHIP

The ACP states regard industrial co-operation as essential if structures are to be changed and a new international economic order created, thereby establishing the genuine partnership on which the Lome Convention is based.

In order to promote industrial development in the ACP states, emphasis in the Convention is placed on:

1. Priority industrial sectors.
2. Creating or consolidating the bases for

independent industrial development in the ACP states.

3. The financing of industrial development by private investment.

It is up to the ACP states to choose which industrial co-operation schemes they would like to see implemented under the Lome Convention.

Precise guidelines are set out in the Convention for schemes aimed at developing or consolidating the bases of industrial development in the ACP countries. These are, inter alia:

Industrial training of ACP nationals

Transfer of technology and the development of small and medium-sized industries.

FINANCING

Generally speaking, all the opportunities offered under the Lome Convention by way of financial co-operation can benefit industrial co-operation programmes, projects and schemes. However, EEC financing for the establishment or extension of industries in the ACP states is provided first and foremost from the European Investment Bank.

The European Investment Bank (EIB) was created by the Treaty of Rome in 1958. The members of the EIB are the member states of the EEC who have all subscribed to its capital. The bank raises the bulk of its

funds for its lending operations on national capital markets inside and outside the EEC and on the international market.

SUBSIDIES

The EIB can grant ordinary loans to industrial projects in ACP states. The loans will attract interest subsidy of normally 3 percent, although it will automatically be adjusted so that the interest rate actually borne by the borrower is between 5 percent and 8 percent p.a.

The duration is determined in the light of each project's particular economic and financial profile, with a maximum of 25 years. In practice, the terms under the first Lomé Convention have been fairly uniform with a duration from 11 to 15 years and interest rates between 6 percent and 6.5 percent.

Financial assistance from the EIB can also be in the form of risk capital. It is intended to be used for:

- increasing directly or indirectly the own resources of public, semi-public or even private undertakings;

- financing specific project preparation and development studies and for assisting undertakings during the start-up phase;

- global loans to finance smaller business investments through the intermediary of development banks.

Centre for Industrial Development:

Another important institution in the field of industrial co-operation is the Centre for Industrial Development (CID).

The CID was created in 1977 under the Lomé Convention. CID undertakes any action within

its economic limits that can provide a catalytic effect towards the establishment, expansion and rehabilitation of an industrial enterprise in an ACP state. This may be through technical, economic analysis and marketing assistance to both individual entrepreneurs as well as to governments.

Most important, however, may be CID's role as a neutral and knowledgeable partner/mediator in creating joint ventures between ACP entrepreneurs/governments and EEC industrialists. ACP production potential studies and CID's information service with a qualified inventory of EEC industries, who have indicated their ACP interest, make a good basis for creating contact between ACP and EEC partners.

Final Remarks:

[as published]

Zimbabwe Set for Negative Growth Rate Next Year

ZIMBABWE'S economy will, in all probability, suffer a slight decline in real terms, in 1983. Imports continue at record levels, and the deteriorating exports receipts position could reduce real GDP growth to 2-3 percent this year and result in negative growth at 3-4 percent next year.

A quick glance at official figures reveals just how susceptible this country's economy is to the vagaries of international trade.

Total imports and exports in 1981 constituted 60 and 56 percent respectively, of the real Gross Domestic Product.

The graph illustrates a high degree of visual correlation between exports receipts and real GDP growth rates over a ten-year period.

In real terms the economy expanded at an annual rate of 11,3 percent in 1974.

However, the first oil-price shock in that year brought expansion in economic activity in the industrialised world to a standstill. Predictably, the demand for and prices of export commodities fell drastically, leading to a severe reduction in exports receipts.

The monetary authorities were forced to cut import allocations and real GDP growth declined to a negative 2,3 percent in 1975.

Despite a slight improvement in exports earnings, the economy slowed down by an additional 1,4 percent in 1976.

A further drop in exports receipts produced a 7,5 percent slide in real growth in 1977.

It took two years of rapid expansion in export revenues for real GDP to become positive again.

The economy, boosted by favourable internal business developments, aid flows and the re-establishment of trade links with the rest of the world, performed well in 1980 and 1981.

Unfortunately, as in 1974, the exceptional growth achieved during these two years was to be shortlived.

The untimely second oil-price hike in 1979 signalled the beginning of a period of world-wide economic stagnation. The graph depicts an alarming slide in exports revenues in 1981/1982.

However, a 5,5 percent exports receipts growth helped to generate a remarkable real GDP improvement of 12,2 percent in 1981.

Regrettably, this performance is unlikely to be repeated in the face of a projected decline of more than 20 percent in exports earnings in 1982.

In fact, had exports receipts been the sole source of foreign exchange, the very satisfactory 1981 result, despite higher agricultural exports, would probably not have materialised.

The exceptional growth seems to have been achieved primarily as a result of higher consumer buying power, coupled with benefits from aid programmes and a favourable agricultural season.

The outlook for next year, based on the economy's dependence upon exports receipts, is not bright. Current export volumes are at their lowest point since 1970.

The international recession shows no signs of abating.

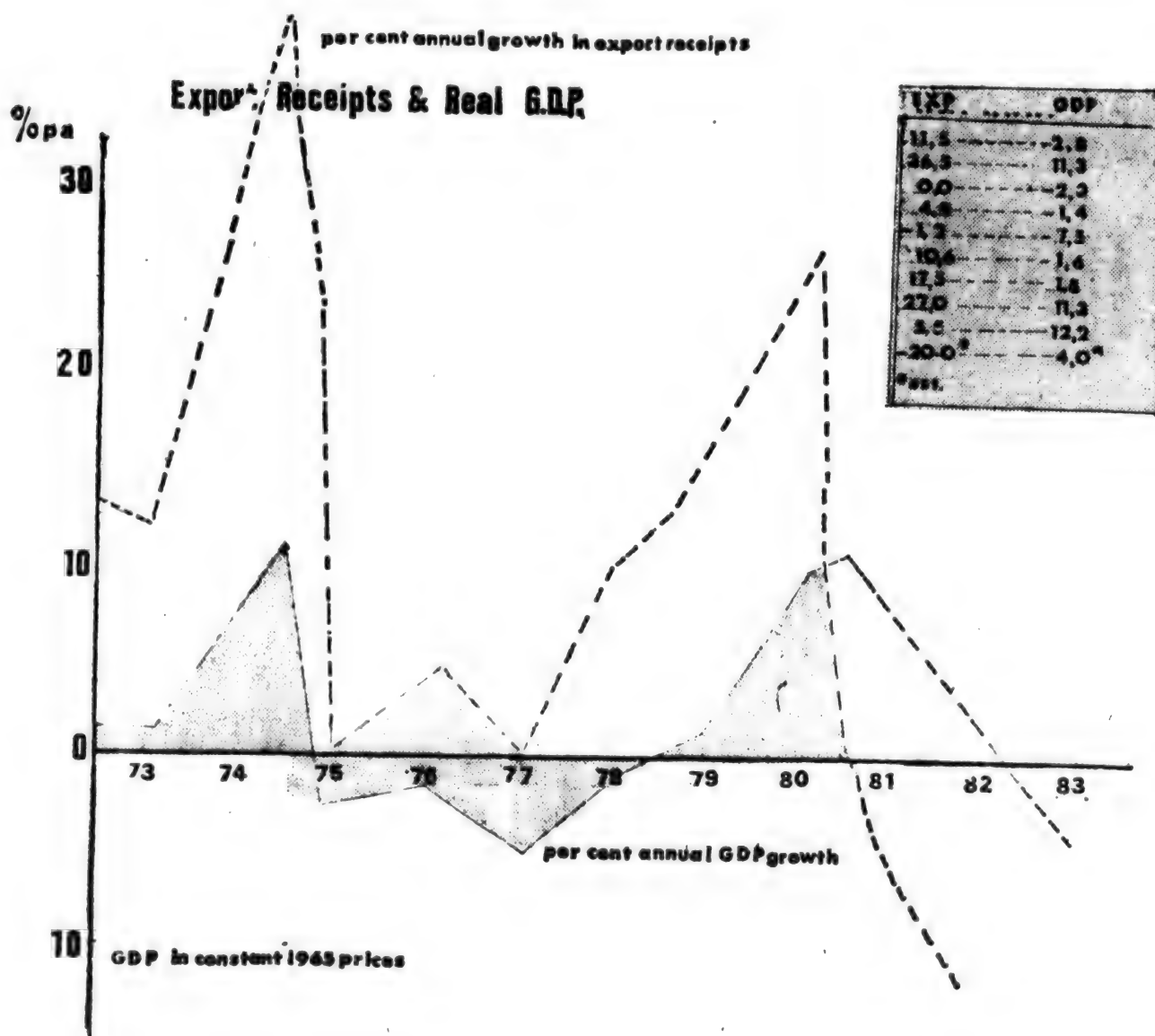
It is likely that further downward adjustments to foreign exchange allocations may become necessary in the new year unless the world economic situation begins to improve--contrary to largely pessimistic current forecasts.

The authorities could try to soften the blow at the price of escalating inflation, by following a reflationary policy.

The effects of reflation, recently instituted by the French, have been a weakening exchange rate on the one hand and rapidly rising prices leading to a loss of competitiveness on the other.

This suggests that there will be no easy solutions to the country's exports problems and that Zimbabwe will simply have to weather the prolonged world economic "winter".

The authorities can help through export incentive schemes and the optional use of domestic resources as well as aid inflows.



Brighter Prospects for the Manufacturing Industry

THE years 1980 and 1981 were years of phenomenal growth and expansion for Zimbabwe's manufacturing sector. In those two years the index of the volume of production increased by 25 percent and employment rose by 30 000 to 173 000.

This impressive perform-

ance was due to the combination of favourable influences — the ending of the war and the release of pent-up demand in the economy, an additional boost to consumer demand brought about by an overall expansion of employment opportunities and increased wages, an 85 percent increase in foreign exchange channelled to industry between mid-1979 and mid-1981 providing essential raw materials and replacement machin-

ery; the opening up of new export markets and a 36 percent overall improvement in the terms of trade.

The year 1982 has seen the erosion of many of these favourable influences, especially as the effects of the world recession are now severely affecting our internationally - exposed economy. The slump in world commodity prices and the deep recession in the industrialised world have not only halted export growth but in the first five months of 1982 have led to a 12 percent fall in export sales over the same period of 1981.

Yet the demand for imports has continued to increase and average import prices have also risen by over 7 percent since the middle of last year. In spite of an increase in foreign borrowing and greater access to commodity import programmes, a widening balance of payments deficit has thus necessitated cuts in foreign exchange.

Allocations of foreign exchange to the manufacturing sector via industrial import control fell by an overall 25 percent between mid-1981 and mid-1982 and many individual industrialists have suffered more severe cuts. Given that some 25 percent of raw material inputs to the sector are imported, the immediate effects of these cuts have been to radically curtail overall expansion.

But there has also been a serious although less visible effect on the longer term performance of the sector because of the large and increasing amounts of foreign exchange needed for replacement machinery and capacity expansion.

At the same time local costs are continuing to rise, the recent increase

in electricity prices being just one example of production cost increases. And on the demand side both domestic and export markets have been depressed.

In the first four months of 1982, the volume of retail sales fell by 2 percent in real terms against the 1981 annual figure compared with an 11 percent increase in the year previously, while exports of manufactured goods to our single major market, South Africa, have been hit both by a rise of 23 percent in the value of the dollar against the rand in the last 18 months and South Africa's imposition of a 10 percent import surcharge earlier in the year.

Given these extremely adverse conditions, how has the manufacturing sector performed in 1982? The answer must be that, in the circumstances, remarkably well. The most recently published figures show that in the first six months of 1982, the volume index of manufacturing industry fell by a marginal 0.2 percent. Yet if one excludes the metals and metal products sub-sector — dominated by export trade and mineral processing and thus not representative of production for the domestic market — then the same period shows a 4.4 percent increase in the weighted volume index.

However, one cannot be complacent about the short-term prospects for the manufacturing sector. With the world recession unlikely to end before mid-1983 at the earliest, constraints in the form of foreign exchange availability and depressed internal and external demand are likely to continue for some time. Yet

it is important to place this scenario in the world context.

PRIDE

In comparison with the performance of the manufacturing sector in both the industrialised world and on the African continent, Zimbabwe can be proud of the fact that it is weathering perhaps the most serious storm to have hit the world economy this century — including the years of the Great Depression — with remarkable strength.

More hopeful signs for the short-term horizon are the package of export incentives recently announced and soon to come on stream, the pending US\$70 million World Bank loan to the manufacturing sector and the very encouraging SADCC industrial projects already being discussed which should provide an added stimulus to regional manufacturing industry and inter-regional trade.

Looking further ahead, the prospects for Zimbabwe's manufacturing industry appear much brighter. Given an upturn in the world economy the sector will be well-placed to continue the expansive path that characterised the first two years of Independence and to take up the challenge of trying to achieve an 11 percent annual growth rate called for in the transitional development plan.

And the fact that the Heinz Corporation, VMI Stork Amsterdam and others are at this time willing to invest considerable sums of money in Zimbabwe's manufacturing sector indicates that there are non-Zimbabweans who also have faith in our future.

The Stock Market Has a Big Part to Play in the New Zimbabwe

IN looking back on the performance of the Zimbabwe Stock Exchange it is interesting to make a comparison with the previous three years as shown in the tables below. It will be seen that both turnover and prices rose strongly to September 30 1980 indicating that confidence was high in that period.

The Industrial Index actually peaked in December of that year (476,77) while the Mining Index peaked quite a bit earlier in February (267,22). Both indices with minor fluctuations have been on a declining trend ever since.

The decline of industrial share prices developed momentum after July 1981 following the introduction of the 20 percent withholding tax on dividends in that year's budget and the general rise in interest rates which occurred throughout the year, with the yield on 25-year Government stocks rising from 8,75 percent in September 1980 to 13,0 percent in September 1981.

Mining shares suffered from the same influences which were accentuated by the sharp fall in the price of base metals which started early in 1981 and has continued to date.

| VALUE | | | |
|----------------------|------------|------------|------------|
| | Internal | External | Total |
| Oct. 1978-Sept. 1979 | 25 096 975 | 26 832 504 | 51 929 479 |
| Oct. 1979-Sept. 1980 | 55 961 334 | 33 559 182 | 89 520 516 |
| Oct. 1980-Sept. 1981 | 42 374 688 | 52 939 764 | 95 314 452 |
| Oct. 1981-Sept. 1982 | 10 003 133 | 39 860 742 | 49 863 875 |

| VOLUME | | | |
|----------------------|------------|------------|------------|
| | Internal | External | Total |
| Oct. 1978-Sept. 1979 | 18 922 245 | 6 452 230 | 25 374 475 |
| Oct. 1979-Sept. 1980 | 36 496 979 | 7 524 229 | 44 021 208 |
| Oct. 1980-Sept. 1981 | 31 175 509 | 13 327 827 | 44 503 336 |
| Oct. 1981-Sept. 1982 | 15 462 085 | 5 886 536 | 21 348 621 |

| Government and Municipal Stocks and E.S.C. | | | |
|--|-------|-------|--------------|
| October 1978-September 1979 | _____ | _____ | \$7 275 492 |
| October 1979-September 1980 | _____ | _____ | \$10 257 642 |
| October 1980-September 1981 | _____ | _____ | \$15 037 407 |
| October 1981-September 1982 | _____ | _____ | \$7 993 999 |

| INDICES | | | | | |
|------------|------------|-----------|--------|-----------|-------------------------------------|
| | Industrial | % Decline | Mining | % Decline | Dividend Yield on Industrial Shares |
| Sept. 1979 | 393,27 | | 268,65 | | 5,3% |
| Sept. 1980 | 454,92 | 15,5 | 247,56 | 7,8 | 5,5% |
| Sept. 1981 | 212,04 | 53,3 | 74,78 | 70,0 | 12,7% |
| Sept. 1982 | 166,04 | 21,6 | 37,33 | 50,0 | 18,6% |

A comparison of the 10 most active stocks for the last two years is also interesting as it will be noticed that six stocks figure in both years, but in each case turnover in number of shares is greatly reduced.

| October 1980-September 1981 | |
|-----------------------------|-----------|
| National Foods Holdings | 3 306 948 |
| Hippo Valley Estates | 2 153 740 |
| Clotex Holdings | 1 803 800 |
| Mashonaland Holdings | 1 535 050 |
| Tedco Trading | 1 491 334 |
| Wankie Colliery | 1 374 588 |
| T.A. Holdings | 1 333 630 |
| Shangani | 1 273 448 |
| M.T.D. Mangula | 946 125 |
| Portland Holdings | 892 380 |

| October 1981-September 1982 | |
|-----------------------------|-----------|
| Hippo Valley Estates | 1 421 381 |
| T.A. Holdings | 1 171 777 |
| Wankie Colliery | 984 489 |
| Portland Holdings | 839 087 |
| Mashonaland Holdings | 598 260 |
| M.T.D. Mangula | 574 552 |
| National Foods Holdings | 566 535 |
| Rio Tinto Mining (Zimbabwe) | 560 227 |
| Bindura Nickel Mining | 525 255 |
| Merlin | 487 758 |

One factor not always appreciated here is the depth of the present world recession with nearly all major countries now in a state of nil or negative growth rates in G.N.P. and unemployment at high levels of between 10%-14% of the work force.

As a result of the world recession the price of most base metals has fallen to its lowest level in real

terms for 20 years. This has serious consequences for base metal producers with virtually all the major base metal companies in America, Canada and Australia now incurring substantial losses.

These low metal prices have of course been disastrous for our local producers who have also been affected by a sharp rise in production costs and are now struggling to survive. The lower level of earnings from mineral exports is a major contributory factor in the reduced foreign exchange allocations from which all industrial companies are suffering.

Until recently the world recession was accompanied by high interest rates which has resulted in lower stock market prices in most major centres with the indices in Australia down by 20 percent — Toronto 18,0 percent — Hong Kong by 38 percent and Tokyo by 8,5 percent in the 12 months to September 1982. London has been the exception and somewhat unexpectedly prices both there and in New York have risen very strongly since the end of August as interest rates declined.

The foregoing is written

to illustrate that part of the malaise now affecting the stock market and indeed the overall economy of Zimbabwe can be attributed to the world recession from which few countries either developed or undeveloped have been able to escape. But other local factors have also played a substantial part and can be attributed to what I regard as an over-zealous application of idealistic policies, without regard to the practical consequences.

Prime examples are the rapid increase in labour costs, unaccompanied by

productivity increases and the rigid application of price control, which are now threatening the viability of large sections of industry.

This brings us to the role of the stock market in a developing country and may also pose the question as to whether there is a role at all for a stock market in the new Zimbabwe. I firmly believe there is and for the following reasons.

The principle function of any stock market is to provide a means whereby individuals, pension funds, insurance companies and a whole range of other institutions can invest their funds in order to obtain a reasonable return on their investment, and at the same time contribute fresh or additional capital for the development and expansion of particular companies, which in turn contributes to the overall growth of the economy of the country.

Inflation

The stock market provides an excellent vehicle for such investments which if prudently executed will not only provide a reasonable return but also in normal times enable the capital investment to grow at least in line with inflation. Similarly, it enables workers either directly or through incentive schemes to acquire shares in their company and participate thereby in its fortunes and know from day to day through the market mechanism the exact value of their investment.

No precise information is available but it is probable that up to two years ago between 60 percent-70 percent of local stock market activity was on the part of institutions. I regard this as particularly significant as the institutions are responsible for the investment of the savings of a very wide spectrum of the population and thereby refute the suggestion that the stock market is the

playground of a few rich individuals and therefore of little importance.

The equity proportion of an institutional portfolio varies from house to house but an average might normally have been 25 percent with another 25 percent or so in property and the remainder in Government Stock and other prescribed assets. Unfortunately, most institutions are now sitting on the sidelines, only occasionally entering the market, whilst the proportion of their funds invested in equities has probably fallen to around 10 percent.

Similarly, the stock market should provide a means for public companies quoted or seeking a quotation, to raise funds from the public to finance their expansion. With virtually all quoted companies now standing at well below their asset values this is clearly impossible and in present circumstances I see very little prospect of the private sector making anything like the contribution expected of it under the three-year development plan.

UNCERTAINTY

What has brought about this situation? My views in this regard have been made known on previous occasions but bear repetition. The main reason relates to a basic lack of confidence in the economic outlook caused by uncertainty as to the Government's future economic policy and it is

also for the same reason that fresh foreign investment has been so slow in coming forward to date.

However, recent developments have been a little more encouraging and it is to be hoped that the new investment guidelines will lay the basis for co-operation between the public and private sectors. But it will also need to be made clear, among other things, that the principle of fair reward or return on investment is accepted and consequently rigid price control cannot be maintained indefinitely.

The process of decision making on the part of the Government departments will need to be speeded up, and schemes for improving the productivity of labour devised. Respect for the rule of law must be re-affirmed.

In summary, I believe that if the incentive is there the private sector will readily rise to the challenge and co-operate strenuously with the Government in the development of Zimbabwe.

I also believe that such a co-operation between the private and public sectors will provide the surest and quickest means of achieving growth for this country. With correct policies this could be accomplished, and then by the end of next year, particularly if metal prices were improving, we should truly be able to look back on 1982 and say "that was the year of transition".

ZIMBABWE

BRIEFS

ECONOMY PRIORITY OVER DEFENSE--Many African nations, including Zimbabwe, face a constant vicious circle when it comes to the question of spending money on national defence or ploughing those all important funds into boosting the economy. It is an indefatigable question which can be debated effectively, ad infinitum from both sides--which explains why it is an everlasting problem and will continue to be so. It is particularly striking here and now when we are faced with two major conflicts--Africa's most severe recession since World War II and the inherent threat from South Africa. But which of the problematical pair is the more vital to guard against? There is no denying that a fully integrated army is a necessity. It not only provides a defence force to repel would-be invaders but also unites the nation's tribes into one unit, creating colleagues from former rivals. But the size, and therefore the cost, of that army is of prime importance. An effective, deterring defence force does not need to be millions-strong or overloaded with spanking new--and expensive--equipment when existing machinery will do the same job. While an army is necessary, a sound, expanding and, above all, healthy economy complete with concrete and viable industrial infrastructure, is absolutely vital for survival. Without the day to day economy being given top priority a country can easily collapse, and cease being fully independent far quicker than if invaded. The American assistant secretary for African affairs, Chester Crocker, has said: "Peaceful development is the only way Africa will find solutions to the critical social and economic challenges it faces." That is a policy of which this country must be thoroughly aware. Having fought a war for liberation it is now time to turn to peace and progression, backing ailing sectors of the vital economy with funds to build a future that is bigger and stronger than a defence force. [Editorial] [Text] [MB181617 Harare THE FINANCIAL GAZETTE in English 12 Nov 82 p 4]

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